



**Damietta University -Faculty of Commerce**  
**Department of Economics**  
**1<sup>st</sup> Semester Final Exam 2025/ 2026**



**English Section**  
**Economic Development**  
**Date 28/ 12 / 2025**  
**Time: 120 Minutes**

**Model D**

**Level: Third year**  
**Course Code: ECON301**  
**Total Marks: 70**  
**Total Pages: 3**

**Part one: Answer the following question (Total Marks: 20; Expected time: 30 minutes)**

- a. Set briefly without explanation the Solow model assumptions.
- b. Set briefly without explanation Rostow's five stages of development and Lewis model assumptions.
- c. Set briefly without explanation the big push theory assumptions.
- d. Set briefly without explanation the three building blocks of Hausmann and Rodrik self-discovery development theory.

**Part two: Multiple choice questions: (Total Marks: 50; Expected time: 90 minutes)**

**Given the following human development indicators for Argentina :**

- |  |   |
|--|---|
| 1. Life expectancy at birth = 76 years | 2. Adult literacy index = 0.96              |
| 3. Gross enrollment index = 0.9        | 4. 2024 GDP per capita (PPP) = \$14500      |
| 5. Mean years of schooling = 10 years  | 6. expected years of schooling = 14.5 years |
| 7. 2021 GNI per capita (PPP) = \$22000 |   |

1. Education index for traditional HDI is:
 

a. 0.94	b. 0.91	c. 0.89	d. 0.87
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2. Income index for traditional HDI is:
 

a. 0.79	b. 0.81	c. 0.83	d. 0.86
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3. Life expectancy for traditional HDI is:
 

a. 0.77	b. 0.79	c. 0.82	d. 0.85
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4. The traditional HDI for Argentina equals:
 

a. 0.79	b. 0.87	c. 0.81	d. 0.77
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5. According to HDI results, Argentina lies in:
 

a. low human development	b. medium human development
c. high human development	d. very high human development
6. Expected years of schooling for NHDI is:
 

a. 0.63	b. 0.67	c. 0.71	d. 0.75
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7. Mean years of schooling
 

a. 0.54	b. 0.57	c. 0.60	d. 0.64
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8. Education index for NHDI is:
 

a. 0.57	b. 0.64	c. 0.70	d. 0.74
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9. Income index for Newly HDI is:
 

a. 0.82	b. 0.84	c. 0.78	d. 0.87
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10. Life expectancy for NHDI is:
 

a. 0.83	b. 0.86	c. 0.89	d. 0.91
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11. The NHDI for Argentina equals:
 

a. 0.81	b. 0.85	c. 0.74	d. 0.77
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12. According to NHDI results, Argentina lies in
 

a. low human development	b. medium human development
c. high human development	d. very high human development
13. Rostow and Harrod-Domar models ignore the impact of complementary factors as managerial competence, skilled labor, and the ability to plan a wide variety of development projects in achieving development.
 

a. True	b. False	c. Uncertain
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14. The components of the Solow growth model are:
 

a. capital, and technology as an indigenous variable.
b. labor, capital, and technology as an exogenous variable .
c. capital, and technology as an exogenous variable.
d. labor, capital, and technology as indigenous variables .
15. According to Lewis model, Output of manufactured goods is a function of
 

a. variable labor and variable capital with a given technology.
b. fixed labor with a given capital stock and a varied technology.
c. fixed labor with a given capital stock and a fixed technology.
d. variable labor, a given capital stock and a given technology.
16. The historical role of international migration discourage the renaissance of North America & Australia
 

a. True	b. False	c. Uncertain
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**Model D**

34. A situation in which government intervention in the economy worsens the economic outcome is termed
- a. neoclassical failure.
  - b. socialism.
  - c. dependency revolution.
  - d. government failure.
35. The big-push theory argues that coordination failures may arise because of
- a. financial externalities.
  - b. technological externalities.
  - c. lack of human capital.
  - d. all of the above
36. "Lewis turning point" occurs when
- a. labor supply curve becomes flatter as modern-sector wages and employment continue to grow.
  - b. labor supply curve stays negatively sloped as modern-sector wages and employment continue to grow.
  - c. labor supply curve becomes positively sloped as modern-sector wages and employment continue to grow.
  - d. labor supply curve does not change as modern-sector wages and employment continue to grow.
37. The linear stages theory of economic growth fails to recognize that increased investment is
- a. both a necessary and a sufficient condition.
  - b. a necessary but not a sufficient condition.
  - c. a sufficient but not a necessary condition.
  - d. neither a necessary nor a sufficient condition.
38. Which of the following are components of economic growth
- a. growth in labor force.
  - b. technological progress.
  - c. investment.
  - d. all of the above.
39. Rostow and others simply define the mechanisms of growth and development as a matter of increasing national savings and investment.
- a. True
  - b. False
  - c. Uncertain
40. If the experienced growth of developing and developed countries are similar, there are two significant reasons behind that:
- a. high levels of capital accumulation
  - b. well-developed markets
  - c. technical progress
  - d. technology transfer and high levels of physical & human capital

Best wishes

  
Prof. Ibrahim Elatroush