PRIFYSGOL ABERYSTWYTH UNIVERSITY

ARHOLIADAU EXAMINATIONS

SEMESTER TWO EXAMINATIONS, 2026

ABERYSTWYTH BUSINESS SCHOOL

MAE MODD I FYFYRWYR GYFLWYNO ATEBION I'R PAPUR HWN NAILL AI YN Y GYMRAEG NEU'R SAESNEG

STUDENTS MAY SUBMIT ANSWERS TO THIS PAPER IN EITHER WELSH OR ENGLISH

AB33420 Growth, Development and Sustainability

Time allowed: 3 *hours*

Answer <u>THREE</u> questions

CALCULATORS ARE PERMITTED (Casio FX83 or FX85 models only)

Once seated, students may complete the front cover of the answer book(s) and the attendance slip ONLY.

<u>DO NOT</u> TURN THE EXAMINATION QUESTION PAPER OVER UNTIL INSTRUCTED TO DO SO.

Question 1:

a. Explain and distinguish between "Economic Growth" and "Economic Development". (30%)
b. Explain and illustrate the essential feature of the structural-change model of Lewis. Do you think Lewis Model provides a better explanation of the situation in most developing nations? Explain your answer. (70%)

Question 2

a. Illustrate and discuss the neoclassical factor endowment theory of international trade. (50%)
b. Traditional free trade theories are based on six crucial assumptions, which may or may not be valid for developing nations. What are these crucial assumptions, and how might they be violated in the real world of international trade? (50%)

Question 3

a. Define the size and functional distributions of income in a country and explain how these are used to measure inequality. (40%)

b. Discuss the explanations for persistence of inequality. (60%)

Question 4

Using theories and approaches studied in class, discuss whether dependence on natural resource exploitation may be a hindrance for growth and development in developing countries. (100%)

Question 5

"All of the benefits of cities come from the reduced cost of moving goods, people and ideas. The benefit of locating large scale manufacturing in urban agglomeration that comes from reducing the costs of moving goods lost most of its importance over the 20th century as transportation cost fell." (Glaeser, 1998)

Does the future spell the decline of cities? Explain your answer. (100%)

Question 6

Write short notes on any three of the following:

a. New (endogenous) growth theory
b. Gini coefficient and Lorenz curve
c. Kuznets' inverted-U hypothesis
d. Foster-Greer-Thorbecke (FGT) poverty measure
e. Financial repression
f. Marshallian externalities

End of Paper