



# **SOUTH EASTERN KENYA UNIVERSITY**

## **UNIVERSITY EXAMINATIONS 2016/2017**

### **FIRST SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF ECONOMICS, AND BACHELOR OF ECONOMICS AND STATISTICS**

#### **XEA 406: POVERTY AND DEVELOPMENT**

**DATE: 16<sup>TH</sup> DECEMBER 2016**

**TIME: 4.00-6.00PM**

#### **INSTRUCTIONS**

**Answer Question ONE and any other Two**

#### **QUESTION ONE (30 MARKS)**

- a. Discuss the impact of poverty on environment (4 Marks)
- b. Explain how poverty traps hamper development in Kenya (4 marks)
- c. Explain how good governance in Kenya at the state and local levels can help poverty reduction (6 marks)
- d. Discuss the relationship between poverty and health (8 marks)
- e. Explain some of the methods used to better target to the poorest groups of the population with safety net programs in Kenya (4 marks)
- f. Highlight four key actions by governments and global communities that may reduce the negative impact of poverty on health (4 marks)

## QUESTION TWO (20 MARKS)

- a) Discuss Poverty reduction strategies applied in Kenya last 40 years (10 marks)
- b) Discuss the relevance of Millennium and Sustainable Development Goals to Kenya (4 marks)
- c) Highlight differences between the Sustainable Development Goals and Millennium Development Goals to Kenya (6 Marks)

## QUESTION THREE (20 MARKS)

- a) Explain four reasons for measurement and analysis of poverty (4 marks)
- b) Explain how poverty in Kenya is affected by economic growth (4 marks)
- b) With aid of various indicators, discuss the differences between Human Development Index and Human Poverty Index (12 marks)

## QUESTION FOUR (20 MARKS)

- a) Discuss and illustrate three measures of inequality used by economists (15 marks)
- c) Explain five key aspects or manifestations of poverty (5 marks)

## QUESTION FIVE (20 MARKS)

- a) Discuss four safety nets implemented to reduce poverty in Kenya (8 marks)
- b) Study the table below

Quintile	Percent Share of income (%) Country X	Percent Share of income (%) Country Y
First (lowest) Quintile	2	4
Second Quintile	6	6
Third Quintile	11	9
Fourth Quintile	19	12
Fifth (highest) Quintile	62	69

Required

- i). Draw the Lorenz curves, labeling the axes (8 Marks)
- ii). Just based on the Lorenz criteria, is it possible to claim that inequality is higher in one country than the other ? Why or why not? (4 Marks)