Write your name on the cover of the test booklet and nowhere else. Enclose this sheet with the booklet.
Failure to follow these directions will cost you 1 point. The test has 100 points (to be scaled up to 200
points) and is scheduled to take 50 minutes. Therefore, expect to spend 1 minute for every 2 points. For
example, a 12-point question should take 6 minutes. I can give extra time but not much.

1) (10 points) For ONE of the following explain how that will affect the number of children a family
tends to have? Explain your logic.
A) Women are given more equal opportunity in the workplace.
B) The overall education level increases.

2) (12 points) Answer EITHER Part A OR Part B.
A) Why might it better for a developing country to adopt old technology rather than the latest
technology? Explain two reasons.
B) Which is a better way for a country in a developing country to help the poor, give them money, give
them food, or give them money to do public works projects like those done in the USA in the 1930s?
Explain your logic.

3) (12 points) Answer EITHER Part A OR Part B.
A) In the Central African Republic from 2003 to 2013, the death rate of children under 5 has dropped
from 172 to 139 per 1000 children. Given this information, what do you think has happened to the
population? Explain your logic. Source:
http://www.indexmundi.com/facts/central-african-republic/mortality-rate
B) What is meant by *population momentum*? Explain why it occurs.

4) (14 points) Answer EITHER Part A OR Part B.
A) What did Malthus predict and why did he predict it? Where did he go wrong? Explain your logic.
B) What do population optimists feel about population size and why do they feel that? Why are they
wrong for most countries? Explain your logic.

5) (14 points) For ONE of the following parts of the "Washington Consensus," explain what is meant by
the phrase and explain why it is important for development.
A) Reordering public expenditure priorities.
B) Trade liberalization

6) (18 points) Answer EITHER Part A OR Part B.
A) Suppose the table on the back showed the frequency of income for different income brackets. For
example, the first row says there are 2 people who earned between nothing and $1/day. Explain how you
would use this table to get the quintiles and how you would use that to get the Lorenz curve. I am not
asking you to do either calculation, just explain what you would have done. Note there are 200 people.
B) Suppose a country has a poverty line of $1.50/day. The mean consumption per capita of the people
below the poverty line is $1.00/day and there are 3000 people below the poverty line. A second country
also has a poverty line of $1.50/day. However, the mean consumption per capita of the people below the
poverty line is $1.25/day and there are 4200 people below the poverty line. Assuming the countries have
the same size population, which has a bigger problem with poverty? Explain your logic. If you do any
mathematics, show all work.

7) (20 points) Answer EITHER Part A OR Part B.
A) Explain the difference between hard and soft governments. Which do you think is better on average?
Explain your logic by mentioning a strength of that type of government and a weakness of the other type.
B) If a government of a developing country wants to develop, is it better to promote a few industries or is
it better to promote a wide range of industries? Explain your logic mentioning a strength of that
approach and a weakness of the other approach.

Low end	High end	# in bracket
0	2	1
2	4	3
4	6	8
6	8	11
8	10	17
10	12	19
12	14	21
14	16	21
16	18	19
18	20	16
20	22	14
22	24	10
24	26	7
26	28	7
28	30	6
30	32	5
32	34	5
34	36	4
36	38	3
38	40	2
40	42	1