



**ZCAS University**

**SEC4201 CONTEMPORARY ISSUES IN DEVELOPMENT FINANCE**

**TEST**

**19 OCTOBER 2023**

**12:30 – 15:30 HRS**

**TIME ALLOWED: THREE HOURS (plus 5 minutes to read through the paper)**

**INSTRUCTIONS:**

1. Section A: this question is compulsory and must be attempted.
2. Sections B: Answer Three (3) questions from this section.
3. This question paper carries a total of 100 marks.
4. Candidates must not turn this page until the invigilator tells them to do so.

**SECTION A : This question is compulsory and must be attempted.**

**QUESTION ONE**

- a) Examine the distinct characteristics of the debts held by African countries, considering their nature, sources, and implications for economic development and fiscal sustainability. **[20 Marks]**
- b) Analyze potential solutions to the complex challenges associated with sovereign debt management, considering various strategies, mechanisms, and their implications for fiscal stability and economic development. **[20 Marks]**

**[TOTAL 40 MARKS]**

**SECTION B: Answer Three (3) questions from this section.**

**QUESTION TWO**

- a) Examine the multifaceted challenges faced by developing countries that hinder their ability to mobilize tax resources effectively. **[10 Marks]**
- b) Investigate the key determinants that foster the expansion of the informal sector, considering economic, social, and regulatory factors, and analyze the implications of informal sector growth on a country's economy and labor market. **[10 Marks]**

**[TOTAL 20 MARKS]**

**QUESTION THREE**

- a) Elaborate on the factors that pose challenges for tax authorities in bringing the informal sector into their tax framework. **[10 Marks]**
- b) Discuss the multifaceted impact of remittances on the economies and societies of receiving countries. **[10 Marks]**

**[TOTAL 20 MARKS]**

**QUESTION FOUR**

- a) Examine the complex challenges and considerations related to the allocation of foreign aid to developing countries. **[10 Marks]**

- b) Analyze the critical challenges and obstacles that affect the effectiveness of foreign aid in achieving its intended developmental goals in developing countries. [10 Marks]

[TOTAL 20 MARKS]

#### **QUESTION FIVE**

- a) Examine the pivotal roles and significance of climate finance in supporting sustainable development. [8 Marks]

- b) International financial institutions (IFIs) like the International Monetary Fund (IMF) and the World Bank hold significant roles in the global economy. Provide a detailed analysis of the distinct roles played by the World Bank and the IMF in promoting and shaping global economic development, considering their mandates, functions, and their influence on economic policies worldwide. [12 Marks]

[TOTAL 20 MARKS]

**END OF EXAMINATION**