

UNIVERSITY OF OSLO
DEPARTMENT OF ECONOMICS

Exam: **ECON4915 – Development Economics**

Date of exam: Monday, May 22, 2017 **Grades are given:** June 12, 2017

Time for exam: 09.00 a.m. – 12.00 noon

The problem set covers 1 page

Resources allowed:

- No written or printed resources – or calculator - is allowed (except if you have been granted use of a dictionary from the Faculty of Social Sciences)

The grades given: A-F, with A as the best and E as the weakest passing grade. F is fail.

Answer all questions. Each question carry equal weight.

I. Short questions (weight 1/2)

- a) What are the advantages and the potential pitfalls of using satellite measured nighttime light to measure income levels?
- b) Explain why sharecropping yields lower agricultural outcome compared to rent/ownership from a theoretical point of view. How can we go forth to test empirically the prediction from the theory?
- c) What do we mean by interlinked contracts? Give one reason for why we observe interlinked contracts in for example the credit and labor market in poor countries.

II. Health in poor countries (weight 1/2)

- a) Explain how income and health is related in poor countries, both from a theoretical and in empirical point of view. Why can we say there is a “multiplier effect” of increased income on health levels?
- b) One challenge facing particularly children in many poor countries is intestinal parasites (worms). Why is this more difficult to combat by individual cures than many other diseases? How does Kremer and Miguel (2004) go forth to study the effect of publicly provided de-worming?
- c) A problem in many poor countries is poor health care service. What is “know-do gap”? What can be explanations for this gap?