



**JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY  
SCHOOL OF HUMANITIES AND SOCIAL SCIENCE**

**UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF ARTS IN  
DEVELOPMENT AND POLICY STUDIES  
3<sup>RD</sup> YEAR 2<sup>ND</sup> SEMESTER 2017 APRIL EXAMS**

**MAIN CAMPUS (REGULAR)**

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**COURSE CODE: ZDS 3322**

**COURSE TITLE: THE INFORMAL ECONOMY**

**EXAM VENUE:**

**STREAM: BA ARTS**

**DATE:**

**EXAM SESSION:**

**TIME: 2 HOURS**

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**Instructions:**

- 1. Answer Question ONE (COMPULSORY) and ANY other 2 questions**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room.**

1. (a) Using relevant examples, compare and contrast the characteristics of formal and informal economies in Kenya (20mks)  
(b) Write short notes on the following
  - i. Profitability (2mks)
  - ii. Black market (2mks)
  - iii. Trade controls/ licensing (2mks)
  - iv. Enterprises (2mks)
  - v. Entrepreneurship (2mks)
2. (a) Account for the historical evolution of the informal sector in Kenya today (10mks)  
(b) What problems face the informal economy in Kenya. (10mks)
3. One of the strategic goals of Kenya is to attain vision 2030. Discuss the role of informal sector towards attainment of Kenya's Vision 2030 (20mks)
4. (a) Explain why Kenyan youth do not prefer joining the informal sector. (10 mks)  
(b) Discuss the differences between formal and informal sectors in Kenya (10mks)
5. Discuss one of the following theoretical approaches on informal economy (20mks)
  - (a) Modernization
  - (b) Structuralism
  - (c) Dependency