ExitPass Ethiopia
Economics Exit Exam Questions Analysis Summary

Created for you from our exam datasets from last year's exit and model exam questions. Helps you prepare strategically.

1. Development Economics I

🔴 High Focus

- 🔴 Poverty and Inequality Metrics (Head Count Index, Gini Coefficient, FGT Index, Lorenz Curve) **18.5%**
- 🔴 Classic Growth Models (Lewis Two-Sector, Harrod-Domar, Rostow's Stages, Solow Model) **17.5%**
- 🔴 Characteristics and Definitions of Developing Economies **12.3%**

🟠 Moderate Focus

- 🟠 International Dependence Models (Neo-colonial, False-Paradigm, Dualistic-Development) **9.2%**
- 🟠 Modern vs. Traditional Views of Development (Amartya Sen, Core Values) **8.2%**
- 🟠 Growth Strategies (Balanced vs. Unbalanced Growth, Big Push) **6.1%**

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Income Distribution (Personal vs. Functional) **3.1%**
- 🟢 Economic Concepts (Vicious Circle of Poverty, Backwash/Spread Effects) **3.1%**
- 🟢 New Growth Theory **2.0%**

📋 **Exam Pattern Summary:**

- **Dominant Themes:** Measuring poverty/inequality and comparing historical growth models.
- **Question Types:** Mostly conceptual (identifying assumptions of models) and definition-based, with specific calculation questions for poverty indices.
- **Exam Structure:** Heavy focus on comparing specific economic theories (e.g., Harrod-Domar vs. Solow).

🎯 **Recommendation:** Prioritize mastering the calculation of the Head Count Index and Gini Coefficient, as these are the primary problem-solving tasks. Focus on differentiating the assumptions of the Lewis and Harrod-Domar models, as they are frequently contrasted.

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2. Development Economics II

🔴 High Focus

- 🔴 Agricultural Development (Transformation, Farming Types, Scale Neutrality) **21.7%**
- 🔴 Population Dynamics (Malthusian Theory, Demographic Transition, Fertility Causes) **17.4%**
- 🔴 Migration Models (Todaro/Harris-Todaro Models, Informal Sector) **15.2%**

🟠 Moderate Focus

- 🟠 International Trade Strategies (Import Substitution, Primary Product Dependence) **13.0%**
- 🟠 Human Capital (Education and Health as Joint Investments) **10.8%**

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Foreign Aid and Debt (Types and Measurement) **6.5%**
- 🟢 Financial Liberalization and Interest Rates **3.2%**
- 🟢 Urban Giantism and Agglomeration Economies **3.2%**

📋 **Exam Pattern Summary:**

- **Dominant Themes:** The structural transformation of agriculture and the economic drivers of rural-urban migration.
- **Question Types:** Primarily conceptual and evaluative (critiquing models like Malthus or Import Substitution).
- **Exam Structure:** Questions often focus on specific African contexts (e.g., agricultural constraints in Africa).

🎯 **Recommendation:** Concentrate on the mechanics of the Todaro Migration Model, specifically the role of "expected income". Study the stages of agricultural development (Subsistence to Specialized) as they are a major recurring theme.

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3. Development Planning & Project Analysis II

🔴 High Focus

- 🔴 Profitability and Investment Criteria (NPV, IRR, Payback Period, BCR) **21.7%**
- 🔴 Monitoring and Evaluation (Purposes, Types, Indicators, Challenges) **19.6%**
- 🔴 Project Life Cycle (Identification, Preparation, Appraisal, Implementation) **13.0%**

🟠 Moderate Focus

- 🟠 Economic vs. Financial Analysis (Differences, Market Distortions) **13.0%**
- 🟠 Shadow Pricing and Opportunity Costs (Wage, Exchange Rate, Parity Price) **10.9%**

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Project Concepts and Characteristics (Definition, Risk/Uncertainty) **6.5%**
- 🟢 Social and Intangible Benefits/Costs **4.3%**
- 🟢 Investment Principles (Incremental, Sunk Costs, Time Value of Money) **4.3%**

📋 **Exam Pattern Summary:**

- **Dominant Themes:** Decision rules for project acceptance using mathematical appraisal techniques and the timing of monitoring vs. evaluation.
- **Question Types:** Mix of theory, definitions, and scenario-based calculations for Payback and IRR.
- **Exam Structure:** High emphasis on "distinguishing" between similar concepts (e.g., economic vs. financial analysis).

🎯 **Recommendation:** Practice calculating the Payback Period and interpreting IRR vs. NPV results for mutually exclusive projects. Understand the treatment of transfer payments (taxes/subsidies) in economic vs. financial analysis, as this is a repeated distinction.

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4. Econometrics I

🔴 High Focus

- 🔴 Violation of Assumptions: Heteroscedasticity (Detection, Consequences, Remedies) **19.6%**
- 🔴 Violation of Assumptions: Multicollinearity (Detection, Consequences, VIF) **17.4%**
- 🔴 Classical Linear Regression Model (Assumptions, BLUE, Intercept/Slope Estimation) **15.2%**

🟠 Moderate Focus

- 🟠 Goodness of Fit (R-squared and Adjusted R-squared Properties) **10.9%**
- 🟠 Statistical Inference (Hypothesis Testing, t-test, F-test, p-values) **8.7%**
- 🟠 Autocorrelation (Durbin-Watson Test, 1st Order Correlation) **8.7%**

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Definitions and Steps in Econometrics **6.5%**
- 🟢 Data Types (Cross-sectional, Time-series, Panel) **4.3%**
- 🟢 Interpretations (MPC, Log-Log Models) **4.3%**

📋 **Exam Pattern Summary:**

- **Dominant Themes:** Detecting and correcting violations of the Gauss-Markov theorem.
- **Question Types:** Primarily conceptual/theoretical, focusing on "which test is for which problem" and the "consequences" of ignoring violations.
- **Exam Structure:** Frequent use of specific acronyms (BLUE, VIF, OLS) and standard test names (Park, White, Durbin-Watson).

🎯 **Recommendation:** Focus on a "problem-test-solution" matrix: know exactly which test identifies heteroscedasticity vs. multicollinearity and what the remedial action is. Be prepared to calculate R-squared from SSR/TSS and interpret the sign/magnitude of OLS estimates.

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5. Econometrics II

🔴 High Focus

- 🔴 Dummy Variables (Dummy Trap, Interpretation, Qualitative vs. Quantitative) **21.7%**
- 🔴 Time Series Analysis (Stationarity, Unit Root, Cointegration, ECM) **19.6%**
- 🔴 Panel Data Analysis (Advantages, Fixed Effects vs. Random Effects, Hausman Test) **15.2%**

🟠 Moderate Focus

- 🟠 Binary Choice Models (Logit, Probit, Tobit, Marginal Effects) **13.0%**
- 🟠 Simultaneous Equation Models (Endogeneity, Reduced Form, Identification, 2SLS) **13.0%**

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Dynamic Models (Distributed Lags, Autoregressive Process) **6.5%**
- 🟢 Estimation Methods (GLS, Maximum Likelihood) **4.3%**

📋 **Exam Pattern Summary:**

- **Dominant Themes:** Properties of stationary vs. non-stationary time series and the specific use cases for dummy variables.
- **Question Types:** Heavily conceptual/application-based (e.g., choosing between FEM/REM or identifying a dummy trap).
- **Exam Structure:** Questions often test the "definition" of specific advanced terms (Spurious regression, Cointegration, Endogeneity).

🎯 **Recommendation:** Master the "m-1" rule for dummy variables and the interpretation of interactive dummies. Understand the requirements for the order condition in simultaneous equations and the steps to make a series stationary.

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6. International Economics I

🔴 High Focus

- 🔴 Classic Trade Theories (Absolute Advantage, Comparative Advantage, Heckscher-Ohlin) **24.4%**
- 🔴 Trade Barriers and Protectionism (Tariffs, Quotas, Subsidies, Infant Industry) **17.8%**
- 🔴 Regional Economic Integration (Free Trade Area, Customs Union, AfCFTA) **11.1%**

🟠 Moderate Focus

- 🟠 Mercantilism (Wealth accumulation, Trade Restrictions) **8.9%**
- 🟠 New Trade Theories and Dynamic Gains (Product Life Cycle, Tech Gap) **8.9%**
- 🟠 International Organizations (WTO, GATT, World Bank, IMF) **8.9%**

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Globalization and Economic Integration Concepts **6.7%**
- 🟢 International Economic Analysis (Pure vs. Monetary Theory) **4.4%**

📋 **Exam Pattern Summary:**

- **Dominant Themes:** Comparing why nations trade (resource endowments vs. productivity) and the welfare effects of trade restrictions.
- **Question Types:** Primarily conceptual and theory-based, with specific comparisons between different schools of thought (e.g., Mercantilism vs. Physiocracy).
- **Exam Structure:** Focus on identifying specific trade instruments (Ad valorem vs. Specific tariffs) and integration levels.

🎯 **Recommendation:** Master the Heckscher-Ohlin theorem and the Leontief Paradox. Ensure you can distinguish between levels of economic integration, especially Customs Union vs. Common Market.

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7. International Economics II

🔴 High Focus

- 🔴 Exchange Rate Determination (Nominal, Real, PPP, Interest Rate Parity) **21.7%**
- 🔴 Balance of Payments (BoP Accounts, Credit/Debit Rules, Deficit Adjustment) **17.4%**
- 🔴 Exchange Rate Regimes (Fixed, Floating, Managed Float, Optimal Currency Area) **15.2%**

🟠 Moderate Focus

- 🟠 Forex Market Operations (Arbitrage, Speculation, Hedging, Spot/Forward) **13.0%**
- 🟠 International Monetary Systems (Gold Standard, Bretton Woods, IMF) **10.9%**

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Policy Approaches to BoP (Elasticity/Marshall-Lerner, Absorption) **6.5%**
- 🟢 Competitiveness Factors (Price/Income Effects on Exports) **4.3%**
- 🟢 Tradable vs. Non-Tradable Goods **4.3%**

📋 **Exam Pattern Summary:**

- **Dominant Themes:** The impact of currency appreciation/depreciation on trade balances and the rules of BoP accounting.
- **Question Types:** Mix of conceptual definitions and calculation-based problems for PPP and exchange rate premiums.
- **Exam Structure:** Focus on real-world transaction recording (identifying if a loan/sale is a credit or debit).

🎯 **Recommendation:** Focus on the BoP accounting identities—specifically what constitutes a "credit" (money inflow) vs. a "debit" (money outflow). Understand the Marshall-Lerner condition and how devaluation affects the BoP.

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8. Macroeconomics I

🔴 High Focus

- 🔴 Keynesian IS-LM Model (Derivation, Shifts, Multipliers, Equilibrium) **22.2%**
- 🔴 National Income Accounting (GDP/GNP definitions, limits, and welfare) **17.8%**
- 🔴 Fiscal and Monetary Policy Analysis (Instruments and effectiveness) **15.6%**

🟠 Moderate Focus

- 🟠 Consumption and Saving Functions (MPC, MPS calculations) **11.1%**
- 🟠 Schools of Economic Thought (Classical vs. Keynesian fundamentals) **11.1%**
- 🟠 AS-AD Model and Inflation/Unemployment basics **8.9%**

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Mundell-Fleming Model (Open Economy Policy) **6.7%**
- 🟢 Macroeconomic Concepts (Positive vs. Normative, Business Cycles) **4.4%**

📋 **Exam Pattern Summary:**

- **Dominant Themes:** The impact of policy shifts in the IS-LM framework and the limitations of GDP as a welfare measure.
- **Question Types:** Heavy on conceptual shifts (e.g., "What happens to IS when taxes increase?") and calculation of multipliers.
- **Exam Structure:** Repeated focus on the differences in market self-correction between Classical and Keynesian schools.

🎯 **Recommendation:** Master the calculation of the tax multiplier vs. the government purchase multiplier. Be prepared to explain the "crowding out" effect and the "liquidity trap" using the LM curve.

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9. Macroeconomics II

🔴 High Focus

- 🔴 Long-Run Growth Models (Solow, Harrod-Domar, Endogenous Growth) **22.2%**
- 🔴 Theories of Consumption (Life Cycle, Permanent Income, Fisher's Intertemporal Choice) **17.8%**
- 🔴 Theories of Investment (Neoclassical, Tobin's q, Accelerator Effect, Residential) **15.6%**

🟠 Moderate Focus

- 🟠 Labor Market and Unemployment (Structural, Frictional, Wage Rigidity) **13.3%**
- 🟠 Money Supply and Monetary Policy (Money Multiplier, Central Bank Rules) **11.1%**

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Policy Implementation Issues (Lags, Rules vs. Discretion, Structuralist View) **6.7%**
- 🟢 National Bank of Ethiopia Context **2.2%**

📋 **Exam Pattern Summary:**

- **Dominant Themes:** The determinants of the "steady state" and "Golden Rule" in growth theory and the micro-foundations of consumption behavior.
- **Question Types:** Primarily conceptual explanations of specific hypotheses (e.g., Random Walk hypothesis).
- **Exam Structure:** Questions frequently test the "algebraic setup" of models like the intertemporal budget constraint.

🎯 **Recommendation:** Focus heavily on the Solow Growth Model's steady-state condition ($sf(k)=\delta k$) and how it changes with savings or depreciation. Study the specific conjectures made by Keynes regarding consumption vs. those of Friedman and Modigliani.

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10. Mathematical Economics

🔴 High Focus

- 🔴 Economic Optimization (Constrained/Unconstrained, Lagrange Multiplier, Kuhn-Tucker) **22.2%**
- 🔴 Applied Derivatives and Integration (MPL, MPK, MRTS, Marginal Revenue/Cost) **20.0%**
- 🔴 Dynamic Analysis (Difference and Differential Equations, Solution Paths, Cobweb Model) **17.8%**

🟠 Moderate Focus

- 🟠 Elasticity Calculations (Point Price, Cross, Resource Elasticity) **11.1%**
- 🟠 Matrix Algebra and Determinants (Jacobian, Hessian Determinants) **8.9%**
- 🟠 Comparative Static Analysis (Market Equilibrium Models) **8.9%**

🟢 Limited (Less Frequent but Still Tested)

- 🟢 National Income Modeling **4.4%**
- 🟢 Mathematical Definitions (Order/Degree of equations, Exact differentials) **4.4%**
- 🟢 Present Value and Discounting **2.2%**

📋 **Exam Pattern Summary:**

- **Dominant Themes:** Finding optimal input/output bundles using the Lagrange method and solving for time-path convergence.
- **Question Types:** Heavily calculation-based (numerical problem solving).
- **Exam Structure:** Questions often require a two-step process: finding a derivative/integral and then evaluating it at a specific point.

🎯 **Recommendation:** Master the Lagrange multiplier technique for both utility maximization and cost minimization, as these are the most frequent problem types. Practice determining the "oscillatory" vs. "convergent" nature of time paths from difference equations.

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11. Microeconomics I

🔴 High Focus

- 🔴 Consumer Theory (Utility Max, Indifference Curves, Budget Constraints, Income/Substitution Effects) 26.7%
- 🔴 Production Theory (Short-run Stages, Returns to Scale, Isoquants, Technical Efficiency) 22.2%
- 🔴 Cost Theory (TFC/TVC relationship, SR vs LR costs, Economies of Scale) 17.8%

🟠 Moderate Focus

- 🟠 Perfectly Competitive Markets (Profit Max, Shut-down Point, Supply Curve) 13.3%
- 🟠 Supply and Demand Basics (Equilibrium, Elasticity measures) 8.9%

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Theory of Risk and Uncertainty (Risk Aversion, Expected Value) 6.7%
- 🟢 Monopoly Basics (Natural Monopoly, Price Discrimination) 4.4%

📋 **Exam Pattern Summary:**

- **Dominant Themes:** The trade-off between goods on an indifference curve and the transition through the three stages of short-run production.
- **Question Types:** Heavy conceptual focus on "properties" of curves (IC, Isoquants, Costs) and calculations for marginal products and price elasticity.
- **Exam Structure:** Frequent use of "which is true/false" regarding standard microeconomic graphs.

🎯 **Recommendation:** Focus on the specific conditions for a firm to shut down (P

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12. Microeconomics II

🔴 High Focus

- 🔴 Imperfect Competition: Oligopoly and Duopoly Models (Cournot, Bertrand, Stackelberg, Kinked Demand, Cartels) 23.9%
- 🔴 Factor Market Pricing (Demand/Supply for Labor, MRPL, VMPL, Monopsony) 17.4%
- 🔴 Game Theory (Dominant Strategies, Nash Equilibrium, Prisoner's Dilemma) 15.2%

🟠 Moderate Focus

- 🟠 Asymmetric Information (Moral Hazard, Adverse Selection, Market Signaling) 13.0%
- 🟠 Market Failure and Welfare Economics (Externalities, Public Goods, Pareto Optimality) 13.0%
- 🟠 Monopolistic Competition (Product Differentiation, Long-run Equilibrium) 10.9%

🟢 Limited (Less Frequent but Still Tested)

- 🟢 General Equilibrium Analysis (Spillover Effects, Edgeworth Box) 4.3%
- 🟢 Decision Analysis (Consumer Choice Bread/Sugar scenario) 2.2%

📋 **Exam Pattern Summary:**

- **Dominant Themes:** Strategic decision-making between a few firms and the conditions under which markets fail to reach efficiency.
- **Question Types:** Primarily conceptual definitions of specialized strategies and information problems.
- **Exam Structure:** High frequency of "matching" a specific problem (e.g., pollution) to a specific market concept (e.g., negative externality).

🎯 **Recommendation:** Contrast the Cournot, Bertrand, and Stackelberg models based on whether they compete on price or quantity and whether they move simultaneously or sequentially. Be able to identify the difference between adverse selection (pre-contract) and moral hazard (post-contract).

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13. Monetary Economics

🔴 High Focus

- 🔴 Money Supply Process (Monetary Base, Multipliers, Central Bank Balance Sheet, Open Market Ops) 26.7%
- 🔴 Demand for Money (Quantity Theory of Money, Keynesian Motives: Speculative/Precautionary) 22.2%
- 🔴 Functions and Characteristics of Money (Barter comparison, Liquidity, Gresham's Law) 15.6%

🟠 Moderate Focus

- 🟠 Financial Institutions and Intermediaries (Role, Asymmetric Info, Risk Sharing) 13.3%
- 🟠 Monetary Policy and the Central Bank (Tools, Targets, Ethiopia context, Lags) 11.1%

🟢 Limited (Less Frequent but Still Tested)

- 🟢 Interest Rates and Asset Markets (Bonds, Fisher equation) 6.7%
- 🟢 Inflation and Seigniorage (Quantity Theory of Inflation) 4.4%

📋 **Exam Pattern Summary:**

- **Dominant Themes:** How the central bank manipulates the monetary base to control the total money supply and why people hold cash instead of assets.
- **Question Types:** Heavy focus on the "multiple expansion of deposits" and calculating multipliers.
- **Exam Structure:** Frequent use of central bank balance sheet scenarios (T-accounts).

🎯 **Recommendation:** Master the money multiplier formula ($m=(1+c)/(r+e+c)$) and understand the direction of change in money supply given changes in reserve ratios. Study Keynes's three motives for holding money, as they are a staple conceptual topic.

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