

3 (Sem-4) ECO M 2

2014

ECONOMICS

( Major )

Paper : 4.2.

( Introduction to Development Economics )

Full Marks : 80

Time : 3 hours

*The figures in the margin indicate full marks for the questions*

1. Answer the following as directed :  $1 \times 10 = 10$

(a) The nominal growth rate of GDP is 12% per annum, the rate of inflation is 6% per annum, what is the rate of growth of the real GDP?

(b) Name the organization that brings out the Human Development Report of the World.

(c) The measures of HDI and HPI are identical.

(Write 'True' or 'False')

(d) Economic growth shifts the production possibility frontier of a country to the —.

(Fill in the blank)

- (e) Pick the odd one out :
- (i) Economic growth
  - (ii) Increase in per capita income
  - (iii) Fall in population growth
  - (iv) Economic development
- (Choose the correct option)
- (f) State the expression of ICOR using standard notations.
- (g) Match the following :
- |                          |                  |
|--------------------------|------------------|
| (i) HDI                  | 1. David Ricardo |
| (ii) Knife-edge          | 2. Adam Smith    |
| (iii) Division of labour | 3. A. K. Sen     |
| (iv) Stationary state    | 4. Harrod-Domar  |
- (h) Identify the capital saving technology from the following :
- (i) Electronic computers
  - (ii) Power looms
  - (iii) Hand powered weeders
  - (iv) Tractors
- (Choose the correct option)
- (i) Wage fund is financed by capitalist's  
——. (Fill in the blank)
- (j) What is the relationship between the capital output ratio and productivity of capital?

2. Answer the following questions :  $2 \times 5 = 10$

- (a) Given, capital-output ratio = 7 and marginal propensity to consume = 65%, find the rate of growth of the closed economy.
- (b) State an example where economic growth conflicts with economic development.
- (c) Will a more equal distribution of income make per capita income a 'better measure of development? Why?
- (d) What is a neutral technological progress?
- (e) Draw a 'vicious circle' of poverty.

3. Answer any *four* of the following :  $5 \times 4 = 20$

- (a) Explain the impact of equal opportunity for all on poverty.
- (b) State four economic benefits of a fall in mortality rate.
- (c) Point out four obstacles to economic growth in a developing country.
- (d) Elaborate the notion of labour saving technological progress with examples.

- (e) State four limitations of the neo-classical growth theory of Robert Solow.
- (f) Explain 'spread effects' of Myrdal with examples.

4. Answer any *four* of the following : 10×4=40

- (a) Discuss the prominent features of modern economic growth.
- (b) Argue the inadequacy of GDP and PCI as indicators of development.
- (c) Explain the standard method of calculating the HDI of a country.
- (d) Discuss a strategy to actualise the potential 'population dividend' of a country.
- (e) Present a summary of the classical approach to growth.
- (f) Explain the Harrod-Domar model of growth.
- (g) Give an outline of Lewis's theory of unlimited supply of labour.
- (h) Argue the case for a balanced growth vis-à-vis unbalanced growth.

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