REV-01
MEC/03/06

2025/12

SET A

MA ECONOMICS
FIRST SEMESTER [REPEAT]
ECONOMICS OF GROWTH AND DEVELOPMENT-I
MEC – 104
[USE OMR SHEET FOR OBJECTIVE PART]

Duration: 1.30 hrs. **Full Marks: 35**

Objective

Time: 15 mins. **Marks: 10**

Choose the correct answer from the following: ***1×10=10***

1. 'Creative destruction' refers to
   a. Wars that destroy markets
   b. Elimination of old industries by new innovations
   c. Collapse of trade unions
   d. Government banning old firms

2. Which of the following innovations best demonstrates Schumpeter's idea of creative destruction?
   a. New tax rules
   b. Increase in minimum wage
   c. Signing of trade treaties
   d. Smart phones replacing cameras, radios, and watches

3. Which thinker believed capitalism would eventually collapse?
   a. Adam Smith
   b. David Ricardo
   c. Karl Marx
   d. Joseph Schumpeter

4. According to Ricardo, capitalism will eventually reach a stationary state because of:
   a. Rising innovation
   b. Diminishing returns on land
   c. Government taxation
   d. Falling labour supply

5. In Myrdal's framework, which effect is responsible for pulling resources from backward regions to advanced regions?
   a. Forward effect
   b. Spread effect
   c. Backwash effect
   d. Trickledown effect

6. Surplus value should be given to labour, according to:
   a. Gandhiji
   b. AK Sen
   c. Karl Marx
   d. Adam Smith

7. Which of the following best explains "laissez-faire"?
   a. Government controls prices
   b. Workers control industries
   c. Government fixes wages
   d. Minimal government intervention

8. Neo-colonialism refers to:
   a. Direct political rule over colonies
   b. New forms of economic and financial control
   c. Complete economic independence
   d. A return to traditional economies

9. Which measure is most commonly used to describe inequality?
   a. GDP per capita
   b. Dependency ratio
   c. Gini coefficient
   d. Capital-output ratio

10. HDI measures development based on:
   a. Only income
   b. Only education
   c. Political freedom
   d. Health, education, and income

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(Descriptive)

Time : 1 Hr. 15 Mins. **Marks : 25**

[Answer question no.1 & any two (2) from the rest]

1. Discuss GNP as a measure of economic development. 5

2. What is economic development? Explain the distinction between economic development and economic growth. 3+7=10

3. Explain Marxian theory of economic development. Also explain how is it relevant in today's economy? 7+3=10

4. Explain the following aspects of Myrdal's theory of economic development: 8+2=10
   a) Circular and cumulative causation
   b) Spread effect and backwash effect
   c) Role of government intervention
   d) Vicious circle of poverty
   e) Why is Myrdal's theory important in India?

5. Explain the 'social indicators' as a measurement of economic development. 10

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