## MA ECONOMICS THIRD SEMESTER **ECONOMICS OF GROWTH & DEVELOPMENT**

## **MEC-303**

(Use separate answer scripts for Objective & Descriptive)

Duration: 3 hrs.

Full Marks: 70

[ PART-A : Objective ]

Time: 20 min.

Marks: 20

## Choose the correct answer from the following:

 $1 \times 20 = 20$ 

- 1. Which one of the following economists formulated the dual sector model?
  - a. A. Lewis

b. J.S. Mill

c. W.W. Rostow

d. Harrod-Domar

- 2. Economic growth includes:
  - a. Quantitative indicator
- **b.** Both quantitative and qualitative indicators
- c. Descriptive indicators d. Qualitative indicators
- The UNDP defines human development as:
  - a. A process of enlarging people's choice b. A process of enlarging administrator's choice
  - c. A process of enlarging infrastructure
- d. A process of enlarging national income
- Which one of the following is not related to Harrod-Domar growth model?
  - a. Savings

b. Natural growth

c. Capital formation

- d. Induced growth
- Which one of the following authors claimed that rural urban migration continues to occur till actual rural wage equals expected urban wage?
  - a. Harris-Todaro

b. Gunner Myrdal

c. Fei-Renis

- d. Hirchman
- The limitation(s) of nominal GDP is/are:
  - a. It fails to measure the standard of living of country's population.
  - **b.** It cannot incorporate the distributional aspects of the economy.
  - c. It excludes many non-monetized transactions including services whose money value are difficult to determine.
  - d. All of the above.
- 7. Kuznets' inverted-U shape hypothesis postulates a relationship between:
  - a. Economic growth and poverty level.
  - b. Inflation and unemployment.
  - c. Economic development and income inequality.
  - d. Both (a) and (c) above.
- Which one of the following represents the concept of human capital?
  - a. Total population.
  - b. Human resources gainfully employed in productive activities.
  - c. Technically skilled engineers.
  - d. Total population between age group 15-49.
- **9.** The aggregate production function of Solow model assumes:
  - a. Increasing return to scale

b. Constant return to scale

c. Decreasing return to scale

d. None of the above

10. Who among the following economists developed the theory of circular causation? a. G. Myrdal b. J. Robinson c. R. Nurkse d. J.R. Hicks 11. Which one of the following is not a redistributive measure? b. Progressive taxation a. Regressive taxation c. Land reform d. Food stamps 12. A Gini Coefficient of 0 represents which of the following? a. Perfect equality. b. A country whose GDP per capita growth is 0. c. Perfect inequality. d. A country that has high GDP per capita growth. 13. Which of the following is true with regard to Endogenous growth theory? a. It tries to understand and explain the differences in the rates of output growth and per-capita income growth across the world. b. It relaxes the assumption of diminishing return to capital and shows that with the assumption of constant or increasing return there can be no presumption of convergence in per capita incomes. c. Only (a) above. d. Both (a) and (b) above. 14. India's rank in the 2017 UNDP Human Development Report is: a. 128th b. 119th c. 130th d. 136th **15.** According to Karl Marx: a Economy does not grow forever as the end comes from 'crises' with overproduction and social upheaval. b. Continued tendency for rate of profit to fall due to increased organic composition of c. Wage is determined by minimum subsistence level and it is equal to the cost of reproducing the working class. d. All of the above. 16. Which is not a driving force in the neoclassical growth theory? b. Technology a. Labour c. Capital d. Foreign capital 17. The AK model of economic growth is: a. An endogenous growth model b. Neoclassical growth model c. Modern growth model d. None of the above 18. Which one is not component of Gender Development Index? a. Health b. Knowledge c. Living standard d. Women's age 19. Theory of Big Push is not associated with: a. Indivisibilities of demand b. Indivisibilities in management c. Indivisibilities in supply of savings d. Indivisibilities in production function

## PART-B: Descriptive

Time: 2 hrs. 40min.		Marks: 50
	[ Answer question no.1 & any four (4) from the rest ]	
1.	Examine the Harrod-Domar model of economic growth.	10
2.	<ul><li>a. What is income inequality? Write briefly on four criteria for measurement of income inequality.</li><li>b. Explain Kuznet's inverted U hypothesis.</li></ul>	2+3+5=10
3.	Write a short note on Lorenz Curve and Gini Coefficient as the methods of measuring income inequality.	5+5=10
4.	Write short notes on:  a. Adam Smith's Theory of Growth.  b. Neoclassical Model of Solow.	5+5=10
5.	Explain the Hirschman's concepts of 'Development via Shortage' and 'Development via Excess Capacity'.	5+5=10
6.	Critically explain the Fei-Ranis model of economic development.	10
7.	Discuss the Leibenstein's theory of Critical Minimum Efforts.	10
8.	<ul><li>a. What do you mean by rural-urban migration?</li><li>b. Explain the Harris-Todaro model of rural-urban migration.</li></ul>	2+8=10

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b. Paul Romer

d. All of the above

20. Who introduced the concept of Capability Approach?

a. A.K. Sen

c. Karl Marx