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5 SEM TDC ECOH (CBCS) C 12

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(Nov/Dec)

ECONOMICS

(Core)

Paper : C-12

(Development Economics—I)

Full Marks : 80

Pass Marks : 32

Time : 3 hours

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

1. Choose the correct answer : 1×8=8

(a) Economic growth measures the

(i) change in labour productivity

(ii) structural change

(iii) increase in GNI per capita

(iv) change in technology used

- (b) In a situation where it is not profitable for any single producer to expand production because of market limitation, then the best strategy for the country to adopt would be
- (i) balanced growth strategy
 - (ii) unbalanced growth strategy
 - (iii) employment growth strategy
 - (iv) None of the above
- (c) According to Harrod-Domar model, an increase in growth rates depends on
- (i) increase in capital output ratio
 - (ii) decrease in capital output ratio
 - (iii) increase in marginal propensity to consume
 - (iv) None of the above
- (d) The extraction of iron ore has increased on account of demand for steel. This is an example of
- (i) forward linkages
 - (ii) backward linkages
 - (iii) forward and backward linkages
 - (iv) None of the above

- (e) The Gini coefficient provides a measure of
- (i) the level of poverty
 - (ii) the level of inequality
 - (iii) disguised unemployment
 - (iv) the rate of growth
- (f) "A circular constellation of forces tending to act and react upon one another in such a way as to keep a poor country in a state of poverty" is a description of
- (i) underdevelopment
 - (ii) deep-rooted poverty
 - (iii) stagnation
 - (iv) vicious circle of poverty
- (g) Rostow defines the stage when a society has effectively applied the range of modern technology to the bulk of its resources as
- (i) the drive to maturity
 - (ii) the precondition for take-off
 - (iii) the take-off
 - (iv) None of the above

(4)

(h) The assumption of critical minimum effort theory is that

(i) if per capita income is below the critical minimum level, the economy will revert to the position of equilibrium

(ii) if per capita income is above the critical minimum level, the economy will be in higher equilibrium level

(iii) Both (i) and (ii)

(iv) None of the above

2. Write short notes on any *four* of the following : $4 \times 4 = 16$

(a) Evolution of development economics

(b) Choice of techniques

(c) Variants of Solow model

(d) Poverty trap

(e) Government regulation and corruption

(5)

3. Economic growth is not enough for economic development. Why? Discuss the major challenges confronted by development economics. $6+5=11$

Or

Explain the PQLI (Physical Quality of Life Index) as a measure of economic growth. Write the advantages and limitations of PQLI as a measure of economic development.

$5+6=11$

4. What is low-level equilibrium trap? Explain the four social and technological conditions conducive to low-level equilibrium trapping in UDCs. Mention three measures to overcome this trap. $2+6+3=11$

Or

Distinguish between balanced and unbalanced growth strategies. Which strategy is more suitable for an underdeveloped economy? Give justification.

$5+6=11$

(6)

5. Describe the classical economic growth model and its relevance. 6+5=11

Or

Briefly state Romer's endogenous growth model. How does Romer's endogenous growth theory differ from traditional neoclassical model? 6+5=11

6. Measuring poverty in a single-income dimension overlooks the multifaceted nature of poverty. Give reasons. Explain the process of constructing multidimensional poverty index. 6+6=12

Or

What is income inequality and how does it measure? Explain the connection between inequality and development. 2+5+5=12

(7)

7. Explain the relationship between democracy and economic development. 11

Or

Discuss the role and shortcomings of State owned enterprises in economic development. 6+5=11
