

2015

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 questions : 1×10=10
  - (a) Distinguish between economic growth and economic development.
  - (b) Highlight the significance of the notion of capital-output ratio.
  - (c) What do you mean by 'commercialisation of agriculture'?

- (d) Define the concept of GDP.
- (e) What determines the rate of growth in the classical theory?
- (f) What captures gender disparity in the adjusted HDI?
- (g) Who propounded the unbalanced growth strategy?
- (h) On what basis are the countries classified as developed and developing?
- (i) What constitutes the 'invisible land' in the classical theory of growth?
- (j) What is technical progress in growth literature?

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

- (a) Distinguish between GNP and GDP.
- (b) Mention the characteristics of 'stationary state'.
- (c) What is Harrod's 'natural growth rate'?
- (d) In the classical theory of development, what postpones the onset of diminishing returns to capital?
- (e) Define Adam Smith idea of 'division of labour'.

3. Answer any four of the following questions :

$5 \times 4 = 20$

- (a) Why is per capita income considered to be an inadequate measure of economic welfare?
- (b) In the Harrod-Domar model, a departure from equilibrium is self-aggravating rather than self-correcting.
- (c) Explain how Ricardo explains the emergence of 'stationary state'.
- (d) Identify the obstacles to development that exists in developing countries.
- (e) Explain the rationale for unbalanced growth strategy as opposed to a balanced one.

4. Answer any four of the following questions :

$10 \times 4 = 40$

- (a) Explain the Lewis's model of development with unlimited supplies of labour. Present a critical evaluation of the model.  $7+3$
- (b) Explain how the Human Development Index is calculated. How is this index a better measure of human development than per capita income?
- (c) Describe the interplay between economic growth and population.

- (d) Explain how Myrdal explains unequal development in terms of back-wash and spread effect.
- (e) Explain the factors that promote economic growth. Indicate the role of technical progress in the growth process.
- (f) Elucidate the idea of vicious circle of poverty. Present an appraisal of the theory vis-à-vis a contemporary less-developed economy.
- (g) Present a comparative discussion on the writings of Adam Smith and David Ricardo on development. Are their ideas relevant for modern day LDC economies?

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