

2013

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 as directed : 1×10=10
- (a) Define real per capita income.
- (b) State True or False :  
'Vicious circle of poverty' was propounded by Ragnar Frisch.
- (c) What are 'external economies'?
- (d) Fill up the blank :  
The originator of the classical approach to development is —.
- (e) What is 'population dividend'?

(f) Pick the correct answer :

'Spread effect' in the context of development is attributed to

(i) Nurtase

(ii) Myrdal

(iii) Ricardo

(iv) Rodan

(g) Which sector absorbs the surplus labour in Lewis model?

(h) Why is the concept of 'vicious circle of poverty' so called?

(i) Name the economist associated with the 'circular causation' theory.

(j) Match the following :

- |                                 |                     |
|---------------------------------|---------------------|
| (i) Balanced growth             | 1. Hirschman        |
| (ii) Spread effects             | 2. Harrod-Domar     |
| (iii) Chain of disequilibria    | 3. Rosenstein-Rodan |
| (iv) Knife edge or Razor's edge | 4. Gunnar Myrdal    |

2. Answer the following questions : 2×5=10

(a) State the parameters included in the calculation of Human Development Index (HDI).

(b) What is labour-saving technological progress?

- (c) What do you mean by human capital?
- (d) What is a 'stationary state'?
- (e) State and explain the meaning of Hirschman's 'social overhead capital'.

3. Answer any *four* of the following questions :

5×4=20

- (a) Distinguish between the concepts of 'growth' and 'development'.
- (b) Elaborate the meaning of capital accumulation.
- (c) State the essence of the 'instability problem' in Harrod-Domar growth model.
- (d) Point out the three key assumptions of the Lewis model that make it unrealistic.
- (e) Explain Myrdal's 'backwash effects' in terms of migration, capital movements and trade.
- (f) Examine 'division of labour' as a source of growth.

4. Answer the following questions : 10×4=40

- (a) Delineate the main obstacles to development of a country.

*Or*

“A country is poor because it is poor.”  
Elaborate.

- (b) Discuss the main components of growth in any society.

*Or*

Argue why population growth is a real problem for the developing countries.

- (c) Give an outline of Kuznets' six characteristics of modern economic growth.

*Or*

Examine the appropriateness of GDP as a measure of a country's economic development.

- (d) Explain the basic ideas of balanced growth approach with examples.

*Or*

Elaborate the concept of 'unbalanced growth' in terms of 'social overhead capital' and 'directly productive activities'.

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