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**5 SEM TDC ECO M 1**

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( November )

**ECONOMICS**

( Major )

Course : 501

**( Development Economics with Indian  
Perspective—I )**

*Full Marks : 80*

*Pass Marks : 32/24*

*Time : 3 hours*

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

1. Choose the correct option/Answer the following : 1×8=8

(a) Which one of the following statements is not correct?

(i) The HDI's are strongly positively correlated with the growth of GDP per capita.

(ii) The relationship going from GDP growth to HDI improvements is much stronger than the reverse relationship.

- (iii) Improvements in the GDP growth make a more decisive impact on poverty than improvements in the HDI.
  - (iv) Improvements in the GDP growth make a more decisive impact on the HDI than on poverty.
- (b) Mainstream neoclassical growth theory predicts convergence because of the assumption of
- (i) diminishing returns to capital
  - (ii) diminishing returns to labour
  - (iii) constant returns to both capital and labour
  - (iv) None of the above
- (c) Which of the following is not used to measure poverty?
- (i) Headcount index
  - (ii) Poverty gap index
  - (iii) Foster-Greer-Thorbecke index
  - (iv) PQLI index

- (d) Define capital-output ratio.
- (e) A functional economic relationship in which the growth rate of gross domestic product ( $g$ ) depends directly on the national net savings rate ( $s$ ) and inversely on the national capital-output ratio ( $k$ ), i.e.,  $g = s/k$  is best explained by the
- (i) Harrod-Domar model
  - (ii) Solow model
  - (iii) Kaldor model
  - (iv) Schumpeter model
- (f) What is urban bias against agriculture?
- (g) In which State of India, the sex ratio is the highest?
- (h) Mention the indicators of HDI (as per the Human Development Report, 2010).

2. Write short notes on any *four* of the following  
(within 150 words each) : 4×4=16

- (a) GDP per capita as an indicator of development
- (b) Causes of underdevelopment
- (c) Poverty trap
- (d) Features of endogenous growth
- (e) International inequality and centre-periphery models

Answer the following questions (within 500 words each) :

3. (a) What is economic development? Do you think a strictly economic definition of development is adequate? If not, why? Also discuss the major challenges confronted by development economics.

2+5+5=12

( 5 )

Or

(b) Discuss how Human Development Index is calculated. Also discuss the strengths and weaknesses of the Human Development Index as a comparative measure of human welfare.

6+6=12

4. (a) Discuss briefly the features of underdevelopment. Do you find features that are resembled with the Indian Economy? Explain.

6+5=11

Or

(b) Discuss briefly the trend and composition of national income. Also discuss briefly the importance of tertiary sector in Indian economy.

7+4=11

5. (a) Distinguish between absolute and relative poverty. Also discuss the magnitude of rural and urban poverty.

3+8=11

( 6 )

Or

(b) Define unemployment. What are the types of unemployment? Discuss briefly the initiatives adopted by the Government of India to tackle the problem of unemployment. Also cite the reasons why the policies undertaken by the Government failed to create adequate employment opportunities.

2+1+6+2=11

6. (a) What is meant by the process of capital accumulation? Why do developing countries, and many development economists, lay great stress on the role of capital accumulation in the development process?

2+9=11

Or

(b) Discuss briefly Solow model. How is the Solow model an improvement over the Harrod-Domar model?

8+3=11

( 7 )

7. (a) Critically discuss Myrdal's theory of cumulative causation. 11

Or

- (b) Describe briefly Lewis model of unlimited supplies of labour. Also discuss how the model provides the best explanation of the situation in most developing countries experience. 7+4=11

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