**Attach the question paper with the answer booklet**

**Date: 22 -4-21**

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**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**M.A. ECONOMICS – II SEMESTER**

**SEMESTER EXAMINATION: APRIL 2021**

**EC 8416: Economics of Growth and Development**

Time-2 ½ hrs Max Marks-70

**This paper contains TWO printed pages and THREE parts**

**PART A Answer any TEN of the following 2 X10=20**

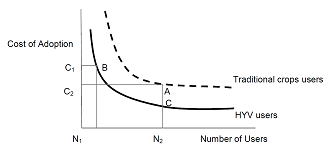
1. Suppose that a country saves 20 percent of its income and has a capital output ratio of 2. Using Harrod Domar model compute the rate of growth of total GDP of that country.
2. Differentiate between exogenous and endogenous growth model.
3. Define capabilities and functioning.
4. State the different stages of growth that an economy experiences according to Rostow.
5. Explain with examples the difference between positive sum activities and zero sum activities in less developed economies.
6. What is the difference between forward linkages and backward linkages?
7. Define interlinked deals.
8. Write the basic equilibrium condition in terms of consumption and savings in a two departmental model of Kalecki.
9. What is Household responsibility system in China?
10. What is the difference between primitive accumulation and primitive socialist accumulation?
11. Give two reasons behind prevalence of higher wage rate than its equilibrium value in urban areas.
12. State the different components of HDI and GDI.

**PART B Answer any TWO of the following 10x 2 = 20**

1. What is golden rule steady state according to Solow model? Assume that the production function of an economy is Y = K1/2 L1/2. If 10 percent of the capital gets depreciated every year find out the golden rule steady state output, capital and the savings rate per worker.

EC-8416-B-17

1. Differentiate between externalities and complementarities in the context of development with proper examples. Consider a case where the average cost of producing crops using high yield variety (HYV) seed is always below the cost of producing crops using traditional seeds, as shown in the diagram below. Explain why there may be two equilibria in such a case. Why is it that a traditional farmer at A may not adopt HYVs? How can the government help in this case?



1. Discuss the Feldman Mahanalobis planning model.

**PART C Answer any TWO of the following** **15 X 2 = 30**

1. Explain the process of structural transformation as analysed by Lewis (1954) and Ranis and Fei (1961). What are the problems that may arise and put obstacle in this process of development?
2. Explain Amitava Bose’s model of agriculture industry interaction to bring out the effect of demand constraint faced by industrial mass consumption goods sector on the level of aggregate industrial employment and output.
3. What are axioms of poverty measurement? In this context, discuss at least four different poverty measures.