

Register Number:

DATE:

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

**MA ECONOMICS – II SEMESTER**

**SEMESTER EXAMINATION: APRIL 2019**

**EC 8418: Economics of Growth and Development**

**Time: 2hrs. 30min Maximum marks: 70**

**This question paper has 2 printed pages and 3 parts**

**Part A. Answer any FIVE of the following 2 X 5 =10**

1. Explain the difference between Kaldor and Pasinetti’s model of economic growth.
2. State the difference between absolute and conditional convergence in Solow model.
3. What is Solow residual?
4. What is meant by critical minimum effort?
5. Explain Sen’s measure of disguised unemployment.
6. What happens if the two Lorenz curves cross each other?
7. Define absolute and relative poverty. Explain with example.

**Part B. Answer any THREE of the following 10 x 3 =30**

1. State the differences between growth and development. Explain Sen’s measure of economic development with suitable examples.
2. Discuss how history and expectations interact with each other through channels of complementarities and increasing returns to define the state of development.
3. Explain the relevance of balanced and unbalanced growth theories in economic development.
4. Discuss with the help of Rakhsit’s model of industry-agriculture interaction, short-run impact of increasing terms of trade in favour of agriculture, or increasing marketable surplus or a bumper harvest, on industrial growth via its impact on effective demand.
5. Discuss the relevance of Feldman Mahanalobis model of development planning.

**Part C. Answer any TWO of the following 15x 2 = 30**

1. a. Using suitable diagram, explain in detail the steady-state condition and the golden rule condition in Solow model with technological progress.

b. Explain in this context, the need of Romer model of endogenous growth theory.

**(10+5) = 15**

1. a. Explain in detail the Harris-Todaro (H-T) model of rural-urban migration and also the equilibrium condition of this model.

b. What will happen to the H-T equilibrium condition if Government imposes a uniform wage subsidy in both agriculture and urban formal sector?

**(8+7) = 15**

15. a. Explain one of the measures of economic development.

b. Discuss different axioms of inequality measurement and explain in detail any one measure that satisfies all the criteria.

**(5+10) = 15**

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