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Register Number:

DATE: 17-04-2018 ( 1PM )

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

**M.A. ECONOMICS – II SEMESTER**

**SEMESTER EXAMINATION: APRIL 2018**

**EC 8417: 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. Define natural rate of growth.
2. What is Solow residual?
3. According to Pasenetti, what is the main problem of Kaldor’s model of economic growth?
4. Differentiate between externalities and complementarities in the context of development with examples.
5. What is vicious circle of poverty?
6. Define surplus labour.
7. What are the Marxian stages of development?
8. Differentiate between absolute and relative poverty.
9. Give the meaning of the terms ‘capabilities’ and ‘functioning’.
10. What are the different components of HDI?
11. Explain the inverted U hypothesis in the context of inequality.
12. State the difference between functional and personal income distribution.

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

1. State the assumptions and explain the Solow model of economic growth. Assume that the production function is Y = K1/2 L1/2. If 30 percent of the output is saved every year find out the steady state output and capital per worker. Find out the golden rule steady state if the depreciation is 10 percent.
2. Explain using Kalecki’s model how supply rigidity of food sector can create an obstacle in the process of accumulation.
3. State the axioms of inequality measurement and discuss one measure that satisfies all the axioms.

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

1. Discuss how history and expectations interact with each other through channels of complementarities and increasing returns to define the state of development.
2. Explain the Harris Todaro model of rural urban migration. What policy according to you is appropriate to mitigate the problem of urban unemployment?
3. Briefly explain the Hymer Resnick model. Do you think this model can explain the nonfarm sector of different countries in the colonial era? Justify your answer.