

**2 0 1 8**

( Pre-CBCS )

( 5th Semester )

**ECONOMICS**

EIGHTH (C) PAPER

**( Economic Development and Planning )**

*Full Marks : 75*

*Time : 3 hours*

**( PART : A—OBJECTIVE )**

( Marks : 25 )

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

SECTION—A

( Marks : 10 )

Tick (✓) the correct answer in the brackets provided :

1×10=10

**1.** In the Solow's growth model, the assumption of constant returns to scale means that

(a) the steady-state level of output is constant ( )

(b) the saving rate equals the constant rate of depreciation ( )

(c) the number of workers in an economy does not affect the relationship between output per worker and capital per worker ( )

- 2.** In Joan Robinson's growth model, capital accumulation depends on
- (a) saving-income ratio ( )
  - (b) profit-wage relation and labour productivity ( )
  - (c) saving-investment ratio ( )
- 3.** Unbalanced growth hypothesis is formulated on the assumption that
- (a) expansion takes place simultaneously on several routes ( )
  - (b) the supply of labour and capital is fixed ( )
  - (c) the supply of labour and capital is abundant ( )
- 4.** According to Marx, who are exploited by the capitalist class?
- (a) The bourgeois ( )
  - (b) The proletariat ( )
  - (c) The communist ( )
- 5.** The theory of Big Push is associated with the name of
- (a) W. A. Lewis ( )
  - (b) A. O. Hirschman ( )
  - (c) P. N. Rosenstein-Rodan ( )
- 6.** According to Myrdal, the main cause of backwardness and regional disparities has been
- (a) the strong backwash effect and the weak spread effect ( )
  - (b) the weak backwash effect and the strong spread effect ( )
  - (c) the strong backwash effect and the strong spread effect ( )
- 7.** The theory of critical minimum effort is associated with the name of
- (a) W. A. Lewis ( )
  - (b) Higgins ( )
  - (c) Leibenstein ( )
- 8.** Which of the following is the limitation of cost-benefit analysis?
- (a) Difficulty in cost assessment ( )
  - (b) Difficulty in benefit assessment ( )
  - (c) Both of the above ( )

9. One of the main purposes of economic planning is
- (a) to create monopolistic power ( )
  - (b) to increase money supply ( )
  - (c) to reduce price instability ( )
10. According to Lewis, the subsistence sector is
- (a) that part of the economy which is not using reproducible capital ( )
  - (b) that sector which paid higher wages ( )
  - (c) that part of the economy which is using reproducible capital ( )

SECTION—B

( Marks : 15 )

Write short notes on the following :

3×5=15

1. Economic development
2. Surplus value
3. Social dualism
4. Internal rate of return criterion
5. Microlevel planning

( PART : B—DESCRIPTIVE )

( Marks : 50 )

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

1. (a) Describe the factors affecting economic growth. 10
- OR**
- (b) What do you mean by economic growth? Critically explain Rostow's stages of economic growth. 2+8=10
2. (a) Explain the Marxian theory of economic development. 10

**OR**

(b) Explain the theory of economic development as propounded by Schumpeter. 10

3. (a) Discuss the principal features of Big Push theory. What are its limitations? 7+3=10

**OR**

(b) Discuss the balanced and unbalanced growth strategies. 10

4. (a) Bring out the need for investment criteria in less developed countries (LDCs). 10

**OR**

(b) What is meant by cost-benefit analysis? Explain its relevance for making investment decision-making. 4+6=10

5. (a) What is economic planning? Discuss the need for planning in less developed countries (LDCs). 3+7=10

**OR**

(b) Discuss the argument for and against economic planning. 10

\*\*\*