

2 0 1 9

(CBCS)

(5th Semester)

ECONOMICS

EIGHTH (C) PAPER

(Economics of 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. India's rank in the 2018 HDI Report was

- (a) 130 () (b) 134 ()
(c) 136 () (d) 138 ()

2. Development is impossible without

- (a) incentive of profit () (b) foreign aid ()
(c) foreign trade () (d) domestic saving ()

3. The term 'invisible hand' introduced by Adam Smith refers to the

- (a) unintended benefits from the operations of free market economy ()
(b) effects of monopolistic power ()
(c) invisible items in the balance of payments ()
(d) labour force ()

4. According to Rostow, the Age of High Mass Consumption is characterized by
- (a) mass consumption, expansion of imports and development of infrastructure ()
 - (b) mass consumption, increased social security and pursuit of external power ()
 - (c) mass consumption, increased population and expansion of exports ()
 - (d) mass consumption, expansion of market and development of infrastructure ()
5. 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 ()
 - (d) expansion takes place on one route ()
6. According to Lewis, the economy of LDC can be developed by
- (a) transferring surplus labour from the traditional sector to the modern sector ()
 - (b) making huge investment in various sectors of the economy ()
 - (c) controlling the population and reducing inequality ()
 - (d) None of the above ()
7. The neoclassical model which argued that actual economies do not display the kind of instability implicit in the Harrod-Domar model was
- (a) Joan Robinson's model ()
 - (b) Kaldor's model ()
 - (c) Solow's model ()
 - (d) Pasinetti model ()
8. In Joan Robinson's model, the 'Golden Age' is characterized as an equilibrium situation where
- (a) $\frac{K}{K} = \frac{Y}{Y}$ ()
 - (b) $\frac{N}{N} = \frac{K}{K}$ ()
 - (c) $\frac{I}{I} = \frac{Y}{Y}$ ()
 - (d) $\frac{I}{I} = \frac{K}{K}$ ()

9. The Mahalanobis model of 'rapid industrialization' was followed in

- (a) the First Five-Year Plan ()
- (b) the Second Five-Year Plan ()
- (c) the Fourth Five-Year Plan ()
- (d) the Fifth Five-Year Plan ()

10. The perspective planning refers to

- (a) annual planning ()
- (b) five-year planning ()
- (c) long-term planning ()
- (d) short-term planning ()

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

1. (a) Sustainable economic development

OR

(b) Kuznets' inverted U-shape hypothesis

2. (a) Schumpeter's concept of innovation

OR

(b) Take-off stage in Rostow's theory

3. (a) Absolute and relative poverty

OR

(b) Technological dualism

4. (a) Exogenous growth model

OR

(b) Objectives of New Economic Policy 1991

5. (a) Centralized planning

OR

(b) Cost-benefit analysis

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

1. (a) Distinguish between economic growth and economic development. Discuss the various income and non-income indicators of economic development. 3+7=10

OR

- (b) What is meant by technology? Describe the role of technology in the economic development of underdeveloped countries. 2+8=10

2. (a) Define surplus value. Explain capital accumulation and crisis under capitalism in Karl Marx theory of economic development. 3+7=10

OR

- (b) Discuss Adam Smith theory of economic development and point out its relevance for LDCs. 10

3. (a) Explain the operation of the vicious circle of poverty on the demand and supply side. What measures would you suggest to break the vicious circle of poverty? 4+6=10

OR

- (b) Critically discuss Harvey Leibenstein's Critical Minimum Effort Thesis. 10

4. (a) What are the assumptions of Joan Robinson's model? Show the relationship between the rate of profit and capital accumulation in her model. 3+7=10

OR

- (b) Discuss the main features of the Nehruvian model of economic development in independent India. 10

5. (a) What is meant by economic planning? What are its essential features? 4+6=10

OR

- (b) What do you mean by shadow pricing? What are the uses and limitations of shadow pricing in project evaluation? 3+7=10
