

D 131728

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Name.....

Reg. No.....

**THIRD SEMESTER M.A. DEGREE [REGULAR/SUPPLEMENTARY]  
EXAMINATION, NOVEMBER 2025**

(CBCSS)

Economics

ECO 3C 10—GROWTH AND DEVELOPMENT

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

**Part A**

*Answer all questions.*

*Each bunch of five questions carries a weightage of 1.*

1. The Atkinson index is particularly useful when comparing income distributions that :
  - (a) Have the same mean income.
  - (b) Have the same median income.
  - (c) Have different mean incomes but the same Gini co-efficient.
  - (d) Have the same level of poverty.
2. Which factor is considered crucial in the theory of conditional convergence ?
  - (a) Technological advancement.
  - (b) Population growth.
  - (c) Income inequality.
  - (d) Fiscal deficit.
3. The Human Development Index (HDI) takes into account which of the following indicators ?
  - (a) Gross Domestic Product (GDP), literacy rate, and life expectancy.
  - (b) Inflation rate, stock market performance, and literacy rate.
  - (c) GDP per capita, industrial output, and fertility rate.
  - (d) Foreign direct investment, birth rate, and life expectancy.

Turn over

4. Which of the following statements is true regarding a deprivation index ?

- (a) A higher index value indicates less deprivation.
- (b) The index is only applicable to developed countries.
- (c) The index considers only income levels as a measure of deprivation.
- (d) A lower index value indicates less deprivation.

5. The Harrod-Domar model suggests that economic growth is directly proportional to :

- (a) Population growth rate. (b) Technological advancement.
- (c) Savings rate. (d) Consumption expenditure.

6. In the context of the Solow-Swan model, the steady state occurs when :

- (a) Capital accumulation reaches its maximum level.
- (b) Population growth is zero.
- (c) The capital stock per worker remains constant over time.
- (d) Technological progress is at its highest rate.

7. In the wage goods model, "wage goods" refer to :

- (a) Goods that are essential for subsistence and survival.
- (b) Goods produced by labour and used to pay wages.
- (c) Goods and services purchased by consumers.
- (d) Goods that are exported to other countries.

8. The Palma ratio focuses on the income shares of which two segments of the population ?

- (a) The top 20 % and the bottom 20 %.
- (b) The top 10 % and the bottom 40 %.
- (c) The top 40 % and the bottom 10 %.
- (d) The top 50 % and the bottom 50 %.

9. In the Uzawa model, human capital is typically measured in terms of :

- (a) Total number of individuals in the labour force.
- (b) Average years of schooling of the labour force.
- (c) Total number of patents and innovations in the economy.
- (d) The ratio of investment to GDP.

10. Which of the following factors does the Solow Residual take into account ?

- (a) Physical capital and labour only.
- (b) Technological progress and population growth only.
- (c) Total factor productivity, technology and efficiency.
- (d) Financial capital and human capital only.

11. What does autonomous investment refer to ?

- (a) Investment made by the government to support social programs.
- (b) Investment that is directly linked to changes in income and output levels.
- (c) Investment that is not influenced by changes in income or output levels.
- (d) Investment made by foreign entities in a country's economy.

12. How is the Theil Index calculated ?

- (a) It is calculated by dividing the average income by the median income.
- (b) It is calculated using Lorenz curve data to compare income distribution.
- (c) It is calculated as the sum of the absolute differences between each individual's income and the mean income.
- (d) It is calculated as the sum of the relative differences between each individual's income and the mean income.

**Turn over**

13. According to Paul Romer's growth theory, the accumulation of knowledge and ideas leads to :

- (a) Decreasing returns to scale in production.
- (b) Diminishing marginal productivity of capital.
- (c) Increasing returns to scale in production.
- (d) Constant returns to scale in production.

14. Which of the following is an example of backward linkage in investment ?

- (a) A steel mill purchasing iron ore from a mining company.
- (b) A car manufacturer selling cars to consumers.
- (c) A computer manufacturer purchasing microprocessors from a semiconductor company.
- (d) A restaurant purchasing vegetables from a local farm.

15. Which of the following is a key characteristic of the Big Push theory ?

- (a) Focusing on the development of a single dominant industry.
- (b) Gradual development of industries over time.
- (c) Co-ordinated investment in multiple sectors to create positive externalities.
- (d) Reliance on market forces to naturally balance economic growth.

$(15 \times 1/5 = 3 \text{ weightage})$

### Part B (Very Short Answer Questions)

*Answer any five questions.*

*Each question carries a weightage of 1.*

16. Golden age equilibrium.

17. Organic composition of capital.

18. Backward linkages.

19. Conditional convergence.
20. Prior saving approach.
21. Social Overhead Capital (SOC).
22. Wage goods model.
23. Human Poverty Index -1.

( $5 \times 1 = 5$  weightage)

### Part C (Short Answer Questions)

*Answer any **seven** questions.*

*Each question carries a weightage of 2.*

24. If the Rate of growth of the economy ( $ry$ ) = 8, the rate of growth of capital is ( $rk$ ) = 6,  $\alpha = 0.50$ ,  $\beta = 0.50$  and the rate of growth of labour ( $rL$ ) = 2, derive the Solow residual and contribution of technology to the final output.
25. Examine the superiority of HDI over PQLI.
26. Examine the contributions of Robert E. Lucas to endogenous growth theory.
27. What is meant by a Low-level equilibrium trap ?
28. Examine the basic features of Take off stage.
29. What are the important sources of financing economic development ?
30. Discuss the interrelationship between economic growth and the pattern of Income distribution.
31. Economic inequality first increases with economic growth, then stabilizes and finally it falls" discuss.
32. Critically examine the four-sector model of Mahalanobis.
33. Analyse the impact of dualism in a less developed economy.

( $7 \times 2 = 14$  weightage)

**Turn over**

**Part D (Essay Questions)***Answer any two questions.**Each question carries a weightage of 4.*

34. Distinguish between actual growth, warranted growth and natural growth rate.
35. What are the important measures of economic inequality ?
36. Examine the relevance of an unbalanced growth strategy in a less-developed country.
37. Make a comparative study on the stage-making approach of Karl Marx and WW Rostow.

(2 × 4 = 8 weightage)