3. Answer *any* **two** questions from the following :

$8 \times 2 = 16$

(a) Explain the summary statistics of a logit model estimated by STATA. Interpret the coefficients of one qualitative and one quantitative independent variables of a hypothetical logit model. 5+3

(b) Interpret the estimated results of multiple regression model given below where child mortality rate (cm) is regressed on female literacy rate (flr), per capita income (pcy) and total fertility rate (tfr).

Model Summary

Model	R	R Squares	Adjusted R Square	Std. Error of the Estimate
1	.865[a]	.747	.735	39.13127

a. Predictors: (Constant), tfr, pcy, flr

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	271802.617	3	90600.872	59.168	.000[a]
	Residual	91875.383	60	1531.256		
	Total	363678.000	63			

a. Predictors: (Constant), tfr, pcy, flr

b. Dependent Variable : cm

(*Turn Over*)

2023

M.A. / M.Sc

4th Semester Examination

ECONOMICS

PAPER : ECO-404

(INDIAN ECONOMICS—II)

Full Marks : 40

Time : 2 hours

The figures in the right-hand margin indicate marks.

*Candidates are required to give their answers
in their own words as far as practicable.*

Illustrate the answers wherever necessary.

Answer from **all** the Groups as directed.

GROUP—A

1. Answer *any* **two** questions from the following :
    $2×2=4$

    (a) Distinguish between an absolute and a relative measure of inequality.

(b) Distinguish between Gini coefficient and Gini index.

(c) Critically examine the concept of break dummy as used by Perron (1989).

(d) Define and explain the unit consistency axiom of inequality introduced in recent time.

2. Answer *any* **two** questions from the following :

$4 \times 2 = 8$

(a) Explain the conflict between convenience and justice in the measurement of inequality. 4

(b) Relative inequality (Gini coefficient) and average MPCE (measured in Rs. at 2009-10 prices) for the years 1999-2000, 2004-05 and 2009-10 in the urban sector of Karnataka were found as :

	1999-2000	2004-05	2009-10
GC	0.323	0.360	0.334
MPCE	1607.04	1500.17	1716.38

Explain the nature of change in inequality in the State over the years. 4

(c) What is population replication axiom? Show that an index measure cannot satisfy this axiom. 2+2

(d) Distinguish between the rationales of using AM and GM in the construction of Human Development Index (HDI). 4

3. Answer *any* **one** question from the following : 8×1=8

(a) Explain RSS based measure of fluctuation and Coppock's measure of fluctuation, and write a note on adjustment needed for their comparability. 3+3+2

(b) Explain the nature of growth of India's GDP coming from the manufacturing sector (GDPM) in terms of trend, break and stationarity of the series. 8

GROUP—B

4. Answer *any* **two** questions from the following : 2×2=4

(a) Suppose one percent increase in home rate of interest allows huge capital inflow to India, while the same increase the home rate of interest does not allow any capital inflow to Bangladesh. Draw the BOP = 0 lines for India and Bangladesh.

(b) Briefly explain how Hybrid Exchange Rate is calculated.

(c) Write down the three major functions of public finance.

(d) Define Green NNP and write down its expression.

5. Answer *any* **two** questions from the following : $4 \times 2 = 8$

(a) Discuss any one measure of trade openness in the context of the Indian economy. Analyze the status of currency convertibility in India since liberalization.   2+2

(b) Write notes on revenue expenditure and capital expenditure in Indian context.   4

(c) State Wagner's Law. Discuss whether Wagner's Law works in India.   2+2

(d) Discuss how international transactions are accounted for with the help of goods, services, capital and financial flows in a country like India to make all the payments in balancing situations.   4

6. Answer *any* **one** question from the following :

8×1=8

(a) Discuss the effectiveness of the fiscal and monetary policies upon income under the perfect and imperfect capital flow conditions with fixed exchange system. Briefly explain how domestic absorption in India is related to its money supply. 6+2

(b) Explain the effectiveness of fiscal and monetary policies upon sustainable income and rate of interest under the conditions of no pollution permit system and no investment upon conservation capital. 4+4

★ ★ ★