M.A./M. Sc. 4th Semester Examination, 2024

ECONOMICS

(*Indian Economics-II*)

PAPER — ECO-404

Full Marks : 40

Time : 2 hours

Answer **all** questions

The figures in the right hand margin indicate marks

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

GROUP—A

A1. Answer any **two** questions :   2 × 2

1. Distinguish between development and deprivation indices.

2. Distinguish between an intercept dummy and a slope dummy.

3. Distinguish between relative and index measures of inequality.

4. Make a distinction between A, B and C type breaks that can be observed in macro time series data.

A2. Answer any **two** questions : 4×2

5. 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.

6. What do you mean by year-over-year growth rate ? In the period from 1950-51 to 2019-20 maximum year-over-year growth in real GDP was observed in 2010-11 over 2009-10. GDP for the year 2009-10 at 2004-05 prices was 4790847 crores of rupees (with In(4790847) = 15.3822) and that for the year 2010-11 was 5282386 crores of rupees (with In(5283486) = 15.4799). Evaluate the growth rates (both CAGR and EAGR).

7. Distinguish between the RSS based measure and the Coppock's measure of fluctuations.

8. Explain briefly different aspects of the construc tion of Human Development Index (HDI).

A3. Answer any **one** question : 8×1

9. Consider the time series on Y_t, $t = 1.2, ..., n$ for n years consisting of two subper- iods and the regression model In $Y_t = a + a_2 D_2 + b_1 D_1 t + b_2 D_2 t$ such that $D_1 = 1$ *in the years* of first subperiod and 0 in all

other years and $D_2 = 1$ in the years of second subperiod and 0 in all other years. How will you ensure a kink in between two subperiods? Derive mathematically.

10. Explain briefly different axioms of inequality measures. In the light of these axioms examine the Gini measures of inequality.

GROUP – B

B1. Answer any **two** of the following questions :

2×2

11. Write down the expression for Green NNP.

12. In a report in a Business Daily on the comparative statements between India and the USA, it is mentioned that the average price of India's export items to the USA is Rs. 500, average price of USA's export items to India is $ 10, exchange rate is Rs. 84 per $, India spends Rs. 10 out of Rs. 100 in imports

and its capital flow intensity with respect to the rate of interest is 10 per cent. Using the information in the report, find out the slope of the BOP line for India where the country will maintain its external balance.

13. Briefly explain how domestic absorption is related to money supply of the economy like India.

14. Distinguish between 'public good' and 'private good'. Is crowded bridge a public property?   1 + 1

B2. Answer any **two** of the following questions :
                                                                      2 × 4

15. Analyse the impacts of export increase upon the equilibrium income of a country and its BOP position. Can it be ensured that the increase in export will lead to keep the BOP in balance?   3 + 1

16. Write notes on revenue expenditure and capital expenditure in Indian context.   2 + 2

17. State Wagner's Law ? Discuss whether Wagner's Law works in India. 2 + 2

18. Explain the J-Curve with the help of the Marshall-Lerner condition.

B3. Answer any **one** of the following question :

8 × 1

19. Discuss, how international transactions are accounted for with the help of goods, services, capital and financial flows in the presence of sectoral compositions in a country like India. Mention the present status of foreign currency reserves in India. 6 + 2

20. Elucidate 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

[Internal Assessment — 10 Marks]

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