2017

M. Phil.

2nd Semester Examination

ECONOMICS

PAPER — ECO–122

Full Marks : 40

Time : 2 Hours

The figures in the right hand margin indicate full marks.

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

Illustrate the answers wherever necessary.

Answer *all* questions.

Group – A

1. Answer any *two* questions from the following :　　2×5

   (a) Write a short note on real-business cycle theory.

   (b) State the main proportion of natural expectation theory in the context. Discuss the phenomenon of policy irrelevance.

   (c) Differentiate between the Mindell Fleming and monetory appropach to BOP models in terms of the effect of a change in income on the exchange rate.

(d) Explain the problem associated wih the technological shack, both theoretical and empirical, in the neat-business cycle theory.

2. Answer any *one* questions from the following :   2×5

   (a) Analyse the overlapping generations model of capital accumulation in macro-economic theory.   10

   (b) In the framework of maxtary approach to BOP, explain the phenomenon of exchange rate ounershooting.

Group – B

3. Answer any *one* question from the following :   1×10

   (a) Give an outline of the Ramsey model of optimal savings.

   (b) Give an outline of endogenous growth with human capital in one sector model.

   (c) Explain the transitional dynamics in Solow-Swan model.

   (d) Prove that β-convergence is the necessary but not sufficient condition of σ-convergence.

(Continued)

Group – C

4. Answer any *one* questions from the following :   1×10

(a) Demonstrate theoretically how the use of conservation capital can ensure sustainable balanced growth in an endogenous growth framework.

(b) Explain the absolute and conditional convergence of percapita income.

[*Internal Assessment : 10 Marks*]

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