2014

M.A/M.Sc.

2nd Semester Examination

ECONOMICS

PAPER— (ECO-202)

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.

Group—A

1. Answer any *two* of questions : 2×2

(a) Distinguish between 'Creeping platinum age' and 'Galloping platinum age' of Robinson growth model.

(b) What do you mean by σ-convergence and and β-convergence ?

(c) What is golden rule of capital accumulation ?

(d) What is Solow Residual ?

2. Answer any *one* questions : 6×1

(a) Briefly explain the two sector growth model of Uzawa.

(b) Define actual growth, warranted growth and expected growth and establish the relationship among them.

3. Answer any *one* questions : 10×1

(a) Prove that the distribution of income between workers and capitalists is different from the distribution of income between wages and profits.

(b) Estimate the time path of capital in Solow growth model. On the basis of fundamental equation of growth, explain the stability mechanism in the solow growth model.

Group—B

4. Answer any *two* questions : 2×2

(a) Define steady state growth in Solow model.

(b) Distinguish between conditional and absolute convergence to steady state growth.

(c) How is Ramsey optimal saving path determined ?

(d) Show that labour supply is independent of money wage rate in simple one period model of Real Business Cycle.

5. Answer any *one* question : 6×1

(a) Give an outline of Barro endogenous growth model with government spending.

(b) Explain how use of conservation capital makes growth sustainable in the long run in an endogenous framework.

6. Answer any *one* question : 10×1

(a) Discuss a one-sector model of endogenous growth with human capital

(c) Give an outline of Diamond overlapping generations model to derive optimal path of capital accumulation.

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