

## **Online Open Book Based Exam**

SET A

Unique Paper Code	:	12487905
Name of the Paper	:	Economic Growth and Development (CBCS)
Name of the Course	:	B.A (H) Business Economics
Semester	:	V
Duration	:	2 Hrs.
Maximum Marks	:	75

Instructions for Candidates:

Attempt **Any FOUR** questions.

All questions carry equal marks.

Illustrate your answer with suitable diagrams, whenever required.

1. What do you understand by economic growth and economic development? Discuss the common characteristics of developing countries on the basis of which we can put them in a broadly similar framework.
2. Explain the process of economic transformation of an economy characterised by surplus labour and shifting it to industrial sector. What are the elements which constraints economic development in unlimited supply of labour model? Discuss.
3. Discuss the different concepts of convergence in Solow model. How do steady state is affected by temporary increase in rate of investment and migration of labour form other countries? Explain with the help of appropriate diagrams and equations.
4. 'The terms of trade between developing and developed nations has deteriorated over past many decades. In light of above statement, explain how does international trade act as a mechanism to increase inequalities between developed and developing countries? Give reasons in support of your argument.

5. Differentiate judiciously between private and social benefits and costs of education. What economic factors give rise to the wide divergence between private and social benefit-to-cost valuations in most developing countries? Should governments attempt through their educational and economic policies to narrow the gap between private and social valuations? Explain.
  
6. Explain what are the Infant Industry Protection Argument and 'Listian Trap'? Does it contradict validity of Ricardo's Theory of Comparative Advantage?