2007

ECONOMICS

PAPER-XVI

Full Marks : 100

7-mm : 4 hours

The des 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 whenever necessary

(*Econometrics-f*)

(*Marks :* 50)

Answer Q. No. 1 and any two questions from the rest

1. Answer any *four* questions :　　　　　　　　S x 4

   (a) **Write a short note on non-sense correlation in time series data.**

   (b) **Define and explain Granger causality in time series models.**

(c) What is **common in common trends and common fluctuation and what is uncommon in them?**

(d) **Define unit root test and explain the process involved in the test.**

(e) **Explain the order and rank conditions for identification of simultaneous equations.**

2. (a) **Explain simultaneous equations bias.** 3

(b) Consider **the following model**

$$Y_{tt} - Q_1 z Y_{zt} + Y_{1i} X_{ir} + Y_{72} X_{2t} + t^{\wedge}t$$
$$Yet - 0_{21} y^{t} + Y_{234} + u_{2t}.$$

Given the data on the following two matrices.

$$X, X = \qquad \%'Y$$
$$10\ 0\ 101 \qquad 130\ 30J$$

Obtain :

(i) **reduced form estimates**

(ii) 2SLS **estimates of the structural parameters of the second equation.** 4+8

3. **Define co-integration of two variables. What are the alternative tests for examining the presence of co-integration?** 6+9

4. **Define an Autoregressive Distributed Leg (ADL) model involving two variables. Connect it with the Error Correction Model (ECM).** **7+8**

5. **What do you mean by panel data ? Distinguish between fixed effects** model **and random effects model? When will the dichotomy between these two models disappear** ? **2+10+°9**

(Agricultural Economics-I!)

(Marks : 50)

Answer any **three** questions

1. (a) `**One of the most interesting features of the Bhaduri Model** (1973) **is low consumption**-trap.' **Present this model** of debt-**trap at 100 consumption** level. 6

   (b) **Summarise Bhaduri's argument that in a semi feudal economy**, **it is not in the landlords' interest to innovate.** 6

   (c) **Do you think that the explanation of the persistence of indebtedness suggested by the above model is adequate** ? **Give reasons for your answer.** 4

2. (a) **Briefly describe the major features of rural credit market in the third world countries.** 3

(b) Explain why the rate of interest in the unorganised rural credit market is excessively high.   7

(c) Write down the important criticisms of your own answer.   6

3. (a) What do you understand by interlinked markets?   4

(b) Analyse the structure of wages and interest in an interlinked mm&ket.   12

4. (a) What are the three components to support agriculture'?   3

(b j]Explain the al ove dhree components.   6

(c) Present the WTUs approach to-measure support to agriculttme.   7

5. Discuss the effects of climate change on :agricultural development.   16

6. Write short notes on (any *two*) of the following: 8+8

(a) Cropping pattern and commercialisation of agriculture.

(b) Sustainability in agricultural production.

(c) Theory of land market in the third world agriculture.

(d) Role of irrigation in stabilising agricultural pro-duction.