

2009**M.A./M.Sc.****2nd Semester Examination****ECONOMICS****PAPER—VI (EC-1202)****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.

- 1. Answer any five questions : 2×5**
- (a) What is stationary state in classical model?
 - (b) What is steady state growth?
 - (c) What do you mean by residual factor in growth?
 - (d) What is two-gap model?
 - (e) Define economic integration.
 - (f) Distinguish Harrod-neutral and Solow-neutral technological progress.
 - (g) What is intra-industry trade?
 - (h) Distinguish between current assets and quick assets.
 - (i) Distinguish between primary market and secondary market.
 - (j) Distinguish between bonds and stocks.

(Turn Over)

2. Answer any *two* questions : 5×2
- (a) Discuss the problem of razor's edge in Domar's growth model.
 - (b) State and explain the Solow and Divisia measures of Total Factor Productivity.
 - (c) How can you determine the equilibrium incomes of the home country and foreign country in the presence of repercussion effect ?
 - (d) Distinguish between leverage ratio and profitability ratio.

3. Answer any *two* questions : 10×2
- (a) (i) Distinguish between absolute and conditional convergence. 5
(ii) Explain the concept of endogenous growth. 5
 - (b) (i) What is option ? Distinguish between call option and put option with suitable examples. 5
(ii) Explain capital Asset Pricing Model. 5
 - (c) Explain the effects of trade on employment in South in North-South trade model. 10
 - (d) (i) State and prove Harrod's instability theorem. 5
(ii) Explain the golden rule of capital accumulation in Solow model. 5
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