

2011

M.A/M.Sc.

2nd Semester Examination

ECONOMICS

PAPER—VI (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 five of questions :

2×5

(a) What are Inada conditions ?

(b) What is steady state growth ?

(c) What is two gap model ?

(d) Distinguish between option and futures.

(Turn Over)

- (e) Distinguish between current assets and quick assets.
- (f) What is economic integration?
- (g) Estimate the growth rate of an economy with savings ratio 20%, output capital ratio 0.5 and rate of depreciation 2%.
- (h) What are the basic limitations of Hasrod-Domar growth model in the context of less developed countries?
- (i) What do you understand by 'residual factor in growth'? Explain mathematically.
- (j) Define technological progress in growth theory.

Group—B

2. Answer any *two* questions : 5×2

- (a) Explain convergence hypothesis in growth theory.
- (b) Explain Capital Asset Pricing Model (CAPM).
- (c) Establish the relationship between actual rate of growth and warranted rate of growth.
- (d) Define and explain the Kendrick, Solow and Divisia

Group—C

- 3. Answer any two questions :** 10×2
- (a) What are the main components of P/L Account of a company. Distinguish between leverage ratio and profitability ratio.
- (b) (i) Explain the Brander-Krugman model for intra-industry trade.
(ii) Explain golden rule of capital accumulation in Solow model.
- (c) (i) Explain endogenous growth model.
(ii) Derive investment multiplier when there is repercussion effect.
- (d) What is the condition of adjustment between natural and warranted rate of growth? Elucidate the adjustment mechanism as explained by Kaldor.
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