

2023

M.A. 2nd Semester Examination**ECONOMICS****Paper – ECO- 202****(Special Exam)****Theories of Economic Growth***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 the following questions* *2x2*

- a) What is knife-edge problem in Harrod Domar model of growth.
- b) What the basic difference between Kaldor and Pasinetti in respect of distribution of income?
- c) What are the important features of leaden age?
- d) What is golden age equilibrium?

2. Answer any two of the following questions *4x2*

- a) Illustrate the labour augmenting technical progress.
- b) State and interpret the Inada conditions
- c) Estimate the share of profit and wage following Kaldor.
- d) Illustrate the concept of absolute convergence.

3. Answer any one of the following questions 8x1

- a) Derive the fundamental equation of Solow growth model and briefly explain the steady state situation in this model. (3+5)
- b) Explain the Robinson's growth model from income and expenditure point of views. Interpret the equilibrium condition of this model. (6 +2)

Group B

4. Answer any two questions 2x2

- a) Calculate the growth rate of real per capita income for the year 2022 if the nominal aggregate income for 2021 and 2022 are respectively Rs. 10000 and Rs. 11000. rate of increase in general price level is 5 % per annum. and population growth rate is 2% per annum.
- b) What are the differences between a Cobb-Douglas production function and an AK type production function in terms of returns to capital and returns to scale?
- c) In what way the endogenous growth theory is an improvement over the neoclassical growth theory? Explain briefly.
- d) Write down the expression of households' total budget constraints in the Ramsey model. Derive the households' budget constraint in per capita terms. 1-1

5. Answer any two questions 4x2

- a) Explain the Solow Growth Accounting System using a general production function incorporating two inputs, labour and capital, and an exogenous technological progress term with $\frac{1}{2}$ and $\frac{1}{2}$ as the respective shares of labour payment and capital payment.
- b) Discuss how the introduction of human capital into the production activity makes a perpetual positive growth rate of income.
- c) Define Conservation Capital. Mention two advantages of producing conservation capital. 2-2
- d) Briefly explain how research and development helps in generating positive growth of per capita income and consumption in the Romer model.

6. Answer any one question

8x1

a) Explain how the growth of per capita consumption and income are derived in the Barro model in a centralised framework.

b) Explain how the positive growth of income is possible under the AK model. Does there exist transitional dynamics in the model?

6+2