D3AEC2402 **(4 Pages)** **Name.....**
Reg.No.....

THIRD SEMESTER M.A. DEGREE EXAMINATION, NOVEMBER 2025
(Regular/Improvement/Supplementary)

ECONOMICS
FECO3C10 - GROWTH AND DEVELOPMENT

Time: 3 Hours **Maximum Weightage: 30**

Part A: Answer *all* questions. Each carries $^{1}/_{5}$ weightage.

1. The …… hypothesis suggests that income inequality first increases and then decreases with higher levels of economic development.
   a) Lorenz Curve
   b) Kuznets Inverted U Hypothesis
   c) Palma Ratio
   d) Atkinson Index

2. The theory of the Low-Level Equilibrium Trap was given by ……
   a) R. R. Nelson
   b) W. W. Rostow
   c) Paul Rosenstein-Rodan
   d) Ragnar Nurkse

3. Which of the following was the central feature of Mahalanobis 'model in India's Second Five-Year Plan?
   a) Priority to agriculture
   b) Rapid industrialization with focus on heavy industries
   c) Export-led growth strategy
   d) Exclusive emphasis on services sector

4. According to Rostow's Stages of Economic Growth, the final stage is:
   a) Take-off
   b) Drive to maturity
   c) Age of high mass consumption
   d) Traditional society

5. According to Gunnar Myrdal, development processes often create both "…… effects" (beneficial spread to surrounding areas) and "……..effects" (negative impacts pulling resources away).
   a) Spillover effects and Feedback effects.
   b) Multiplier effects and drainage effects.
   c) Spread effects and backwash effects.
   d) Forward linkage effects and reverse linkages effects.

6. Which of the following is not considered as an indicator of economic development?
   a) Consumer Price Index (CPI)
   b) Per Capita Income
   c) Human Development Index (HDI)
   d) Gender Development Index (GDI)

(P.T.O.)

7. In the context of development economics, “Backward and Forward Linkages” were emphasized by …… as key mechanisms to stimulate growth in unbalanced investment strategies.

a) Ragnar Nurkse
b) Gunnar Myrdal
c) Paul Rosenstein-Rodan
d) Albert Hirschman

8. According to the Keynesian approach to financing economic development, increases in income and employment can primarily be stimulated through:

a) Prior accumulation of savings.
b) Demand-side measures and investment multipliers.
c) Reduction of government expenditure.
d) Only foreign investment inflows.

9. In Dual Gap Analysis, if the savings gap is larger than the foreign exchange gap, then the limiting factor for growth will be …….; whereas if the foreign exchange gap is larger, the limiting factor will be ……..

a) Technology; Human Capital
b) Government Budget; Private Investment
c) Domestic Savings; Foreign Exchange Availability
d) Imports; Exports

10. Who among the following is associated with the Wage-goods model in the context of Indian planning?

a) R. Nurkse
b) C. N. Vakil and P. R. Brahmananda
c) P. C. Mahalanobis
d) Amartya Sen

11. The theory of circular causation primarily emphasizes:

a) The independent role of market equilibrium in ensuring balanced growth.

b) A self-reinforcing process where poverty and underdevelopment perpetuate each other.

c) The dominance of foreign trade as the sole driver of economic growth.

d) The inevitability of capital accumulation leading automatically to development.

12. Which of the following best distinguishes the Balanced Growth approach from the Unbalanced Growth approach?

a) Balanced growth stresses investment in one key sector, while unbalanced growth stresses simultaneous investment in all sectors.
b) Both assume that economies grow automatically without external aid.
c) Balanced growth theory is related to industrial backwardness, while unbalanced growth is related to agricultural backwardness.
d) Balanced growth promotes simultaneous investments across sectors, while unbalanced growth focuses on selective sectoral investments based on linkages.

13. The …….. is a graphical representation of income distribution, while the Gini Coefficient is derived as a numerical measure from it.

a) Kuznets Curve
b) Atkinson Index
c) Palma Ratio
d) Lorenz Curve

14. The Big Push Theory emphasizes that development can be achieved only when …….

a) A large-scale, coordinated investment is made across multiple sectors.
b) Small-scale efforts are encouraged in local regions.
c) The population growth rate decreases gradually.
d) All sectors of the economy focus on agriculture alone.

15. Which of the following best illustrates the concept of Technological Dualism as defined in development economics?

a) Coexistence of wage disparity due to inflation.
b) Gap between rural and urban consumption levels.
c) Presence of advanced modern industries alongside low-productivity traditional sectors.
d) Over-reliance on foreign direct investment (FDI).

(15 × $^{1}/_{5}$= 3 weightage)

Part B: Answer any *five* questions. Each carries *one* weightage.

16. Explain dual gap analysis.
17. What is Gini-coefficient?
18. Define Human Capital Formation.
19. What is Atkinson index.
20. Define economic growth.
21. Explain the idea of Endogenous growth theory.
22. Elaborate on PQLI.
23. Define Low level equilibrium trap.

(5 × 1 = 5 weightage)

Part C: Answer any *seven* questions. Each carries *two* weightage.

24. Explain Rostow's stage theory.
25. Describe Hirofumi Uzawa model.
26. What is wage-goods model?
27. Explain the Theory of Big Push.
28. What is prior savings approach?
29. Illustrate Solow's model of economic growth.
30. Describe backwash and spread effect.
31. What is structural change theory of development?
32. Discuss the role of human capital in endogenous growth model.
33. What are the different indicators of economic development?

(7 × 2 = 14 weightage)

(P.T.O.)

Part D: Answer any *two* questions. Each carries *four* weightage.

34. Explain Harrod - Domar model of economic growth.

35. Explain the Keynesian and Quantity Theory Approaches to the financing of economic development.

36. "Critical Minimum Effort thesis emphasizes the need for breaking the vicious cycle of poverty." Discuss.

37. Discuss the role of institutions in Economic growth.

(2 × 4 = 8 weightage)