

M.A. Economics Examination, 2022
Semester - IV
Course: OP - 18
(Macroeconomics of Developing Countries)

Time: 3 Hours

Full Marks: 40

Questions are of value as indicated in the margin

Answer any four (04) of the following questions

- [1] Answer any two: [2×5 = 10]
- (a) Delineate the properties of an advanced capitalist system, as proposed by Structuralist Macroeconomics.
- (b) In a one-department Kaleckian model of advanced capitalist economy, show the capitalist-worker duality in terms of income and expenditure determinations.
- (c) Using a two-department model of Rakshit, explain in brief, why the industrial sector may even contract, when there is a bumper harvest.
- [2] (a) In the context of a two-department model of Bhaduri having industry-agriculture duality, derive the effect of a bumper harvest on industry under the conditions of industry-agriculture unbalanced trade (in favour of the latter) and fixity of per capita food consumption of the industrial worker. [7]
- (b) How does the outcome change under industry-agriculture balanced trade? [3]
- [3] Using a four-department framework of Bose show the probable effects of an expansion of investment and/or luxury goods sector on mass consumption output, when agriculture is dominated by large farmers. How do the outcomes change if agriculture is run mostly by petty producers? [8+2]
- [4] “Why is macroeconomics different in developing countries?” – justify the statement from the study of Deepak Nayyar. [10]
- [5] Based on the study of Galor-Zeira, build up a dynamic model to show how the initial distribution of wealth affects the individual utility derived from the levels of consumption and bequest. [10]
- [6] Refer to the Mundell-Fleming model, how do you differentiate the effectiveness of fiscal and monetary policies under the fixed and floating exchange rate regimes, in case of a small open economy? [5+5]
- [7] Following the study of G.D.A. MacDougall, show that the inflows of foreign capital into a one sector small open developing economy provide a positive welfare gain through the redistribution of income from capital to labour and that net welfare gain accrues to labour. [7+3]
- [8] State the major channels through which the global financial crises are transmitted into developing countries. Briefly explain their theoretical underpinnings from the macroeconomic points of view. [4+6]
