

M.A. Economics Examination, 2023
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] Explain the factors that led to a situation where less developed countries of Latin America were compelled to adopt neo-liberal reforms. [10]
- [2] Answer any two questions: [2 × 5 = 10]
- a) Discuss at least two reasons for the existence of effective demand problem in an advanced capitalist system.
- b) Using a one-department model of Kalecki, explain why and how class power could influence the volume of GDP.
- c) In a two-department model of Bhaduri, show the necessity of interdepartmental proportionality.
- d) Using the four-department model of Bose, explain in brief, when and how the mass consumption good sector expands with a bumper harvest.
- [3] a) In the context of a two-department model of Bhaduri having industry-agriculture duality and under the conditions of industry-agriculture balanced trade, derive the effects of an expansionary government budget on industry. [5 + 5 = 10]
- b) How does the above outcome change under industry-agriculture unbalanced trade?
- [4] Using a two-department model of Rakshit, explain why the industrial sector might contract in presence of a bumper harvest. [10]
- [5] Is Macroeconomics for developing countries different from that of developed countries? - answer the question in detail with background explanations. [10]
- [6] What are the seven schools of Macroeconomic thought? Build up a model to show that population growth adversely affects the per-capita economic growth. [3 + 7 = 10]
- [7] Develop a dynamic model to show that the initial distribution of wealth and credit market imperfection affect the investment in human capital. [10]
- [8] Prove that the inflow of foreign capital into a one sector economy may be beneficial. Also specify the macroeconomic school of thought and underlying assumptions validating that proof. [7+3]
