Use separate answer book for each half.

B.A. (Honours) Examination, 2015

Part – III

Economics

Paper – VII

Time: 4 Hours **Full Marks: 80**

Questions are of value as indicated in the margin.

Answer ***six*** questions taking ***three*** from each half.

First Half

(Development Economics)

1. What are the major reasons why some countries are rich and others poor? 13⅓
2. What is Human Development Index? State any two arguments in favour of considering Human Development as an index of development. 5⅓+8
3. What is disguised unemployment? Critically explain the Lewis model of economic development. 4+9⅓
4. What major changes take place during the course of development? Explain your answer in the light of Clark-Fisher Thesis. 13⅓
5. What are the major factors that dictate the choice of techniques in the industrial sector in developing countries? 13⅓
6. What is the Hirschman's major criticism of the doctrine of balanced growth? What do you understand by the concept of 'unbalanced growth'? 5+⅓+8

Second Half

(International Economics)

1. Three countries, A, B and C produce 2 goods, X and Y, with only labour using fixed co-efficient technologies. The labour co-efficient matrix is as follows:

	A	B	C
X	a_{lx}	b_{lx}	c_{lx}
Y	a_{ly}	b_{ly}	c_{ly}

It is given that: $a_{lx} / a_{ly} > b_{lx} / b_{ly} > c_{lx} / c_{ly}$. What are the possible patterns of trade? 13⅓

2. (a) Define Trade Indifference Curves and the Offer Curve and explain with the help of a diagram how the latter is derived from the former. 6⅓

(b) Draw the Offer Curves of two trading countries such that there is only one intersection of the two curves. Explain, using this diagram, how equilibrium of international trade is attained. 7

3. Discuss the case for protection with reference to developing countries. 13⅓
4. Critically examine the Purchasing Power Pairity theory. 13⅓
5. State and prove the theorem of actor price equalization. 13⅓
6. Write short notes on ***any two*** of the following: 6⅔+6⅔
   (a) Stolper Samuelson Theorem.
   (b) Gains from trade in the Ricardian framework.
   (c) Bretton Woods conference.