QP Code : 24/PT/11/XV

POST-GRADUATE DEGREE PROGRAMME
Term End Examination — December, 2024
ECONOMICS
Paper-XV : GROWTH ECONOMICS

Time : 2 hours] [Full Marks : 50

Weightage of Marks : 80%

Special credit will be given accuracy and relevance in the answer. Marks will be deducted for spelling, untidy work and illegible handwriting. The weightage for each question has been indicated in the margin.

Use of scientific calculator is strictly prohibited.

1. Answer any *four* of the following questions : $2\frac{1}{2} \times 4 = 10$

   a) Mention any two assumptions of Harrod's short run growth model.

   b) When is steady-state equilibrium attained in the long-run Harrod-Domar model ?

   c) What do you mean by Golden Rule level of Capital in Solow model ?

   d) Write in short, one of the major differences between H-D model and Solow model.

   e) What is conditional convergence hypothesis ?

   f) Kaldor decomposes savings into two components, what are they ?

2. Answer any *four* of the following questions : $5 \times 4 = 20$

   a) Discuss the Knife-edge instability in Harrod's short-run growth model.

   b) Derive the fundamental dynamic equations of new-classical growth model.

   c) Write the expression symbolically following Pasinetti that even workers save and invest, share of profit (P/Y) depends solely on the rate of investment, given the propensity to save of capitalists.

d) Is Harrod type neutral technical progress superior to that of Hicks ? Give reasons to your answer.

e) Give a brief note on β convergence.

f) Explain in short the AK model. What are it's limitations ?

3. Answer any *two* of the following questions : $10 \times 2 = 20$

a) In the simple Solow model, write down an expression for per capita consumption. Also derive the condition necessary to attain the maximum per capita consumption. 5 + 5

b) Discuss the problem of divergence between Warranted rate of growth and Natural rate of growth in H-D model.

c) Distinguish between embodied and disembodied technical progress.

d) What is Pasinetti paradox ? Why is it called so ?