

Indian Statistical Institute, Bangalore

B. Math (Hons.) Third Year
Second Semester - Economics II

Final Exam

Duration: 3 hours

Date: April 29, 2016

Total marks: 40

Answer any 4 questions

Each question carries a maximum of 10 marks

1. How would you define the “level effect” and “growth effect” in the Solow Model?
Explain endogeneity of the capital-output ratio in the Solow Model. (4+6 marks)
2. Explain the knife-edge problem in relation to the Harrod-Domar Model. If saving rate (s) = 9; capital-output ratio (v) = 3:1 then calculate the growth rate. Given the saving rate and capital-output ratio, if the economy is to achieve a growth rate of 5 per cent, then at what rate should the economy save? (5+5 marks)
3. Provide different interpretations on Human Capital Accumulation and Endogenous Growth. How does Robert Lucas handle the issue of Human Capital Accumulation and Endogenous Growth? (4+6 marks)
4.
 - (i) Comment on the relevance of Lewis Model in the less developed countries. (5 marks)
 - (ii) Is Kuznets’ concept of structural change applicable to the Indian economy? (5 marks)
5.
 - (i) List three limitations of GDP per capita (or income) as a measure of well-being. (3 marks)
 - (ii) How is economic growth treated in the human development framework? (3 marks)
 - (iii) Discuss the merits of adopting the geometric mean over the arithmetic mean in the computation of the Human Development Index. (4 marks)
6.
 - (i) What is the difference between an appraisal, an audit and an evaluation? (2 marks)
 - (ii) What are the two main purposes of evaluation? (2 marks)
 - (iii) List the commonly used criteria for development evaluation? (2 marks)
 - (iv) Suppose you have been asked to evaluate MGNREGA. List one question you would ask to assess the effectiveness of MGNREGA. (2 marks)
 - (v) What is the difference between an output, an outcome and impact?
Illustrate with an example. (2 marks)
7.
 - (i) How is universal health coverage defined? (2 marks)
 - (ii) List three drawbacks of private medical insurance schemes. (2 marks)
 - (iii) Discuss features of India’s health financing that are largely responsible for the challenges of health inequity, inadequate availability and reach, unequal access, and poor-quality and costly health-care services. (6 marks)
8. What are the major components of land reform in India? (10 marks)