

Name:

Enrolment No:



**UNIVERSITY OF PETROLEUM AND ENERGY STUDIES**

**End Semester Examination, MAY 2019**

**Course: DEVELOPMENT THEORY**

**Programme: BA(PP)**

**Time: 03 hrs.**

**Max. Marks: 100**

**Semester: IV**

**CC:BAPP 2005**

**SECTION A**

<b>S. No.</b>	<b>Short questions. All are compulsory.</b>	<b>Marks</b>	<b>CO</b>
Q 1	Distinguish between <b>economic growth</b> and <b>economic development</b> . How do you measure economic development?	2	CO1
Q.2	What would be the <b>Gini coefficient</b> in a country with perfect income equality? What would be the <b>Kuznets ratio</b> for this country?	2	CO5
Q.3	In a developing country the capital-output ratio is 5 and the savings rate is 30%. If current GDP is \$ 2.5 trillion, what would be its <b>GDP next year</b> , as per the Harrod-Domer growth model?	2	CO5
Q.4	What was the <b>basic assumption made by Malthus</b> in his theory of population growth for arriving at the conclusion that population growth will outpace the availability of food production in the long-run? Is Malthus proven right in retrospect?	2	CO1
Q.5	If birth rate is 6% and the death rate is 2%, what is the natural <b>rate of population increase</b> ?	2	CO4
Q.6	If the distribution of income in a country C is (1, 2, 2, 3, 5) and poverty line is 2.5, what percentage of the population is in <b>poverty as per the headcount measure</b> ?	2	CO1
Q.7	Explain following terms: <b>GATT, WTO, GATS, and TRIPS</b> .	2	CO4
Q.8	Name the four <b>R s</b> shared between public and private sectors in the PPP model of development.	2	CO1
Q.9	What is the present <b>percentage share</b> of agriculture, industry and services sectors in India's total GDP? What has been the trend in this regard during last 70 years?	2	CO5
Q.10	Name four greenhouse gases ( <b>GHGs</b> ) in the context of climate change.	2	CO1
Q.11	Explain the term <b>GM crops</b> with some examples. Name the GM crop permitted in India for large-scale commercial exploitation.	2	CO2

Q.12	What is <b>India's rank</b> on the 2018 UN Human Development Index? Why India's rank has not improved for years despite good progress registered in the Index's three broad parameters?	2	CO1
Q.13	Distinguish between <i>kharif</i> crop and <i>rabi</i> crop. What percentage of agriculture land in India is dependent on rains?	2	CO5
Q.14	Explain the concept of <b>Purchasing Power Parity</b> .	2	CO3
Q.15	Explain Amartya Sen's <b>concept of development</b> ?	2	CO4
Q.16	What is meant by <b>inter-generational equity</b> ?	2	CO1
Q.17	Explain terms: prohibitive import tariff, NTBs, MFN, and dumping duty.	2	CO2
Q.18	Explain terms: social overhead capital, human capital, maternal mortality rate, capital intensive technology.	2	CO3
Q.19	According to W. W. Rostow what are the <b>preconditions for take-off</b> ?	2	CO4
Q.20	The idea which suggests that poverty is self-perpetuating because poor nations are unable to save and invest enough to accumulate the capital stock which would help them grow is known as... ( <i>Fill the blank</i> ).	2	CO5

### SECTION B

S. No.	Write Short Notes on any four	Marks	CO
Q.1	In the context of environmental economics explain the terms 'common property goods' and the 'tragedy of commons'.	5	CO2
Q.2	What are various command & control instruments available to a Government to limit environmental damage	5	CO5
Q.3	Evaluate MNCs contribution in economic development along with various criticism levelled against them.	5	CO5
Q.4	Explain the role of PPP in addressing India's infrastructural deficit	5	CO1
Q.5	The Multidimensional Poverty Index (MPI) measures a range of important household deprivations faced by the very poor. Explain how MPI is different from HDI.	5	CO4
Q.6	What are typical features of developing countries? Why rent-seeking harms the poor most?	5	CO2

**SECTION-C**

<b>S. No.</b>	<b>Descriptive Type. Attempt any two questions:</b>	<b>Marks</b>	<b>CO</b>
Q.1	Briefly explain Kremer's O-Ring Theory of economic development and important insights it provides. Why high- skill workers tend to specialize in more complex products?	10	CO2
Q.2	What is meant by social cost-benefit analysis and how is it different from an investment decision of a private investor? Explain why DELHI METRO meets the criterion of a project with large social benefit.	10	CO4
Q.3	Despite high economic growth since 1991 why India has failed to provide satisfactorily primary healthcare and education? What measures are needed to rectify the grossly inadequate situation?	10	CO1

**SECTION-D**

<b>S. No.</b>	<b>Analytical Type. Attempt any two questions:</b>	<b>Marks</b>	<b>CO</b>
Q.1	What has been main contribution of agriculture sector in Indian economy? Elaborate main challenges facing this sector.	10	CO5
Q.2	Compute the New HUMAN DEVELOPMENT INDEX (2010) of a country with following parameters: Life expectancy at birth- 68.8 years; Mean years of schooling(of adults)- 6.4 years; Expected years of schooling(of children)- 12.3 years; and GNI per capita- \$ 6,353. How would this country classify in terms of HDI ranking --low/medium/high/very high.	10	CO3
Q.3	Successful economic development rests on vibrant private sector, efficient public sector and vigorous citizen sector ---- Elaborate your response.	10	CO5

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**SECTION A**

S. No.	Short questions. All are compulsory.	Marks	CO
Q 1	If a country experiences a rapid increase in per-capita income due to discovery of new huge oil & gas reserves, then this country is experiencing <b>economic growth <u>or/and</u> economic development?</b> Explain.	2	CO1
Q.2	Is it <b>true or false</b> that economic growth is necessary and sufficient condition to eradicate most of absolute poverty? Explain.	2	CO5
Q.3	According to Simon Kuznets, what is the relationship between GNP per capita and inequality in the distribution of income? Draw the same.	2	CO5
Q.4	In a developing country the capital-output ratio is 4 and the savings rate is 20%. If current GDP is \$ 1 trillion, what would be its <b>GDP next year</b> , as per the Harrod-Domer growth model?	2	CO1
Q.5	Name the four <b>R s</b> shared between public and private sectors in the PPP model of development.	2	CO4
Q.6	What is the present <b>percentage share</b> of agriculture, industry and services sectors in India's total GDP? What has been the trend in this regard during last 70 years?	2	CO1
Q.7	Explain the term <b>GM crops</b> with some examples. Name the GM crop permitted in India for large-scale commercial exploitation.	2	CO4
Q.8	Distinguish between <i>kharif</i> crop and <i>rabi</i> crop. What percentage of agriculture land in India is dependent on rains?	2	CO1
Q.9	Two countries X and Y have following distribution of income: country X (2, 3, 4) and country Y (6, 9, 12). Which country has higher inequality – X or Y? Explain.	2	CO5
Q.10	Explain the concept of Purchasing Power Parity.	2	CO1

Q.11	According to the SOLOW model, what is the main reason for the observed variation in per capita income across countries?	2	CO1
Q.12	Explain terms: National treatment, non-tariff barriers, MFN, dumping duty.	2	CO4
Q.13	If birth rate is 3% and the death rate is 2.5%, what is the natural <b>rate of population increase</b> ?	2	CO1
Q.14	Explain terms: social overhead capital, human capital, infant mortality rate, labour intensive technology.	2	CO1
Q.15	What is meant by <b>inter-generational equity</b> ?	2	CO1
Q.16	Name four greenhouse gases ( <b>GHGs</b> ) in the context of climate change.	2	CO1
Q.17	Explain following terms: <b>GATT, WTO, GATS, and TRIPS</b> .	2	CO1
Q.18	According to W. W. Rostow what are the <b>preconditions for take-off</b> ?	2	CO2
Q.19	What would be the <b>Gini coefficient</b> in a country with perfect income equality? What would be the <b>Kuznets ratio</b> for this country?	2	CO2
Q.20	What was the <b>basic assumption made by Malthus</b> in his theory of population growth for arriving at the conclusion that population growth will outpace the availability of food production in the long-run? Is Malthus proven right in retrospect?	2	CO2

### SECTION B

S. No.	Write Short Notes on any four	Marks	CO
Q.1	What is meant by <b>social cost-benefit analysis</b> ? Explain.	5	CO2
Q.2	Explain what is meant by a <b>Lorenz Curve</b> . Suppose in an economy the distribution of income is such that the bottom 1/3 <sup>rd</sup> of the population do not have any income, the middle 1/3 <sup>rd</sup> has barely 33.3% income of total income equally distributed among them, and the top 1/3 <sup>rd</sup> has a big chunk of 66.7% income distributed equally among them. Draw the income Lorenz Curve for the economy.	5	CO5
Q.3	What are typical features of developing countries? Why rent-seeking harms the poor most?	5	CO5
Q.4	What are various command & control instruments available to a Government to limit environmental damage?	5	CO1
Q.5	In the context of environmental economics, explain the terms 'common property goods' and the 'tragedy of commons'.	5	CO4

Q.6	Explain the <u>Theory of Demographic Transition</u> with particular reference to India.	5	CO2
<b>SECTION-C</b>			
<b>S. No.</b>	<b>Descriptive Type. Attempt any Two questions:</b>	<b>Marks</b>	<b>CO</b>
Q.1	Explain the Arthur Lewis model of dual economy with due explanation of following concepts: unlimited supply of cheap rural labour, marginal product of labour (MPL) in industry and in agriculture, and the Lewis Turning Point. How relevant is this model for India?	10	CO2
Q.2	Compute the HUMAN DEVELOPMENT INDEX (2010) of a country with following parameters: Life expectancy at birth- 55.1 years; Mean years of schooling (of adults) - 1.4 years; Expected years of schooling (of children) - 4.9 years; and GNI per capita- \$ 701. How would this country classify in terms of HDI ranking -- low/medium/high/very high.	10	CO4
Q.3	In two parts: i) Explain why in the <u>Solow Model</u> the capital-labour ratio always converges to its steady state equilibrium value. ii) Also, explain why in the Solow Model a permanent increase in the economy's saving rate has only a temporary effect on the economy's growth rate.	10	CO1
<b>SECTION-D</b>			
<b>S. No.</b>	<b>Analytical Type. Attempt any Two questions:</b>	<b>Marks</b>	<b>CO</b>
Q.1	In two parts: i) Explain the Big Push Theory pioneered by Rosenstein-Rodan; ii) If GDP of India increases (say) 7% a year and Singapore's GDP goes up by 5% a year, the trade turnover between them will increase by what percentage, as per the Gravity Model?	10	CO5
Q.2	Why a developing country like India suffers from seriously deficient infrastructure? Explain the role of PPP in addressing India's infrastructural deficit. Do you think that the PPP is the panacea for the prevailing scenario?	10	CO3
Q.3	In two parts: i) Explain Michael Kremer's <u>O-Ring Theory</u> of Economic Development. ii) Outline five important implications of the O-Ring Theory.	10	CO5

