

Indian Institute of Technology
Humanities and Social Sciences Department
Distribution and Growth (HUL 312)
Major Exam: Question Paper, May 2015

TYPE X

Total marks: 35
Duration: 2 hrs.

PART A: Answer all questions: One mark each (except for question 9) (If more than one option is correct, write all the correct options in your answer)

1. Which of the following statements are true?

(A) In the Solow model, K/Y is fixed but K/L is not (B) In the Harrod-Domar model, both K/Y and K/L are fixed (C) In the Solow model, neither K/Y nor K/L is fixed (D) None of the above.

2. Consider two countries A and B. Capital intensity or capital per worker is lower for A compared to B. Assume that capital per worker increases by the same rate, say $x\%$, in both the countries. Which of the two countries will experience a greater increase in output per worker, A or B?

3. Which of the following is a component of reserve money but not a component of broad money (Options: currency with the public, cash in banks, time deposits, none of the above)

4. Which of the following was (were) not feature(s) of India's labour market between 2004-05 and 2011-12

(A). There was an absolute decline in the size of the workforce engaged in agriculture and related activities (B). Manufacturing was the largest source of non-agricultural employment during this period (C). Female labour participation increased substantially during this period. (D). None of the above

5. Where does each of the following items belong to in India's balance of payments – to the current account or to capital account?

Loans from foreign countries, Remittances, foreign portfolio investment, net export of services

6. What do you mean by CRR? (Answer in not more than a few lines)

7. According to Amartya Sen, India lags behind China in most development indicators. However, during the post-1950 period, there is one area in which India's record is better than China's. Which is that area?

8. Read the statements X and Y and choose from the options below.

Statements: (X) Savings drive investment in the Classical model. (Y) Public investment crowds out private investment according to the Keynesian model.

Options: (A) X is true but Y is false (B) X is false but Y is true (C) Both X and Y are true (D) Neither X nor Y is true

9. What are the major components on the asset side of the Reserve Bank of India's balance sheet? Which of these components witnessed a sharp increase in its share of the total during the 2000s? (2 marks)

PART B: Answer any three questions: 5marks each (Preferred length: not more than a page) (one page is one side of a sheet)

10. Discuss some of the problems of measuring poverty in India?

11. Do you agree with the argument that India will benefit from the 'demographic dividend'?

12. Do you agree with the view that fast economic growth is neither necessary nor sufficient for achieving better social development outcomes? Explain your answer with one or two examples from India (or outside India).

13. What do you think are the challenges on account of short-term foreign capital inflows to a developing country like India?

14. Explain any two reasons attributed to India's industrial growth stagnation since the mid 1960s.

PART C: Answer question no. 15: 10 marks (Preferred length: not more than two pages)

15. Write an essay on any one issue that is related to any of the major topics we discussed in the HUL 312 class. Please note that the issue/topic you choose to write the essay (or the paper on which it is based) should be different from the topic/paper of your class presentation. Kindly write the details of papers you have referred to write this essay.