D 91204

(Pages : 4)

THIRD SEMESTER P.G. DEGREE EXAMINATION, NOVEMBER 2020

(CCSS)

M.A. Economics

ECO 3C 10—BASIC ECONOMETRICS

(2019 Admissions)

Time : Three Hours   Maximum : 80 Marks

Part A

Answer all questions.
Each question carries 1 mark.

Multiple Choice Questions :

1. If a sample survey of 100 households conducted in a particular village, annually for five years, the data so called will be :

    a) Time series data.

    b) Cross-section data.

    c) Panel data.

    d) Pooled time series-cross-section data.

2. In a multiple linear regression with 4 independent variables, the overall regression's significance is to be tested. Which test would be used ?

    a) Z test.

    b) F test.

    c) Chi-square test.

    d) 't' test.

3. If multicollinearity is perfect in a regression model then the regression coefficients of the explanatory variables are :

    a) Determinate.

    b) Indeterminate.

    c) Infinite values.

    d) Small negative values.

4. The co-efficient of determination, r^2 shows :

    a) Proportion of the variation in the dependent variable Y is explained by the independent variable X.

    b) Proportion of the variation in the dependent variable X is explained by the independent variable Y.

    c) Proportion of the variation in the dependent variable ui is explained by the independent variable X.

    d) Both (a) and (c).

Turn over

5. Koyck's approach to econometric analysis deals with relationships involving :

    a)   Lagged explanatory variables.

    b)   Qualitative explanatory variables.

    c)   Exponential explanatory variables.

    d)   None of the above.

6. What is ui ?

    a)   Error term.   b)   Disturbance term.

    c)   Both (a) and (b) are correct.   d)   Both (a) and (b) are wrong.

7. An unbiased estimator is an estimator whose sampling distribution has :

    a)   Mean equal to the true parameter value being estimated.

    b)   Mean equal to the actual value of the parameter estimate.

    c)   A zero variance.

    d)   None of the above.

8. The OLS estimator is not used for all estimating situations because :

    a)   It is sometimes difficult to calculate.

    b)   It doesn't always minimize R-squared.

    c)   It doesn't always have a good-looking sampling distribution.

    d)   Sometimes other estimators have better looking sampling distributions.

9. Suppose you have a random sample of 100 observations on a variable x which is distributed normally with mean 14 and variance 8. The sample average, x bar, is 15, and the sample variance is 7. Then the mean of the sampling distribution of x bar is :

    a)   15 and its variance is 7.

    b)   15 and its variance is 0.07.

    c)   14 and its variance is 8.

    d)   14 and its variance is 0.08.

10. Specification refers to choice of :

    a)   Test statistic.

    b)   Estimating procedure.

    c)   Functional form and explanatory variables.

    d)   None of these.

$$(10 \times 1 = 10 \text{ marks})$$

Part B (Very Short Answer Questions)

Answer any **five** *questions.*
Each question carries 2 marks.
Answer in one **or** *two sentences each.*

11. List the important stages in econometric model building ?

12. What is least square principle ?

13. Distinguish between Population regression function and Sample regression Function.

14. Justify the use of random error term in a regression model.

15. What is a dummy variable trap ?

16. Explain Von-Neumann ratio test for autocorrelation.

17. What do you mean by lagged variable ?

18. What do you mean by auxiliary regression ?

$$(5 \times 2 = 10 \text{ marks})$$

Part C (Short Answer Questions)

Answer any **eight** *questions.*
Each question carries 5 marks.

19. Explain the stages in econometric model building.

20. Explain Gauss-Markov theorem.

21. Distinguish between structural form model and reduced form model.

22. Explain any *two* methods to overcome the problem of Hetroscedasticity.

23. Explain Durbin-Watson test for Autocorrelation.

Turn over

24. Explain the uses of dummy variable in Econometrics.

25. Briefly explain the major limitations of Econometrics.

26. How will you compare two regressions using the dummy variable approach ?

27. The relationship between two variables, Y and X is as follows :

    $Y = \alpha + \beta X + Ui$. The data set consists of 6 observations and is as follows :

Y	8	4	0	6	4	2
X	2	2	2	4	4	4

    (i)   Using OLS regression, obtain estimates of α and β.

    (ii) What is the coefficient of determination (R^2) of regression ?

28. Explain Multicollinearity.

29. Let $\hat{\beta}_{yx}$ and $\hat{\beta}_{xy}$ represent the slopes in the regression of Y on X and X on Y respectively, show that

    $$\hat{\beta}_{yx}\hat{\beta}_{xy} = r^2$$

    Where r is the co-efficient of correlation between X and Y.

30. Distinguish between homoscedasticity and hetroscedasticity.

                                                                (8 × 5 = 40 marks)

Part D (Essay Type Questions)

Answer any **two** *questions.*
Each question carries 10 *marks.*

31. From the following table, estimate the regression equation of $Y = a + b\,X_1 + c\,X_2 + U$ and interpret the results :

Y	20	30	35	40	45
X_1	10	15	10	20	20
X_2	5	10	15	10	20

32. Explain how you will estimate the parameters in   an Almon's polynomial distributed lag model.

33. Briefly discuss about the role of Lagged models in Economics.

34. What are the assumptions of Classical Linear Regression Model ?

                                                                (2 × 10 = 20 marks)

THIRD SEMESTER P.G. DEGREE EXAMINATION, NOVEMBER 2020

(CCSS)

M.A. Economics

ECO 3C 11—POLITICAL ECONOMY OF DEVELOPMENT

(2019 Admissions)

Time : Three Hours   Maximum : 80 Marks

Part A

Answer **all** *questions.*
Each carries 1 *mark.*

Multiple Choice Questions :

1. ———— is not a key element of political clientelism.

    a) Dualism.   b) Contingency.

    c) Hierarchy.   d) Iteration.

2. Considering Malthusian theory in mind, Thomas Carlyle christened political economy as ———— science.

    a) Social.   b) Positive.

    c) Dismal.   d) Normative.

3. Value appears in Sraffa's system is in the form of ————.

    a) Relative value.   b) Marginal value.

    c) Absolute value.   d) Realistic value.

4. The founders of Marxism insisted that in a socialist society there would be ————.

    a) State.   b) No State.

    c) Imperialism.   d) Class conflicts.

5. Each free exchange creates signals about which goods and services are valuable and how difficult they are to bring to market is related to ————.

    a) Neutrality of money.   b) Flexible exchange.

    c) Money illusion.   d) Invisible Hand.

Turn over

6. ───────── is a notable example of free trade today.

    a) IMF.   b) European Union.

    c) IBRD.   d) WTO.

7. ───────── is ECLAC economist.

    a) Anderson S.   b) Muller F.

    c) Andre Gunder Frank.   d) Solow M.

8. Dependency theorists sought to explain persistent levels of under-development in ─────────.

    a) Europe.   b) Asia.

    c) Africa.   d) Latin America.

9. ───────── reduces the discriminatory tendencies of the Centre in allocation of resources to the States on a partisan basis in India.

    a) RBI.   b) RLGP.

    c) NITI Aayog.   d) NREGP.

10. ───────── reveals global labour arbitrage, arising from the higher degree of exploitation prevalent in low-wage nations.

    a) Liberalization.   b) Globalization.

    c) Neoliberal globalization.   d) Privitization.

(10 × 1 = 10 marks)

Part B (Very Short Answer Type)

Answer any **five** *out of eight questions.*
Each carries 2 marks.

11. What do you mean by corruption ?

12. Explain competitive populism ?

13. What are the main contributions of Joan Robinson ?

14. Explain the main criticism against classical economics ?

15. What is value according to Marx ?

16. Explain dynamics of social change.

17. State economic integration.

18. What do you mean by gain from trade ?

(5 × 2 = 10 marks)

Part C (Short Answer Type)

Answer any **eight** *out of twelve questions.*
Each question carries 5 marks.

19. Explain the role of local self governments in the political economy of development in India.

20. Explain few cases of environmental related movements in recent India.

21. Explain Prebisch-Singer theory.

22. Critically examine imperialism.

23. Briefly explain cross boarder investment.

24. Explain simple and expanded reproduction.

25. Briefly explain Marxian interpretation of mode of production.

26. Explain Sraffa system of political economy.

27. Explain the classical theory of vale and growth.

28. Explain the role of state in the political economy of modern India.

29. Compare political and official bureaucracy.

30. Briefly explain political clientelism.

(8 × 5 = 40 marks)

Part D (Essay Type)

Answer any **two** *out of four questions.*
Each carries 10 *marks.*

31. Explain the major questions raised by classical economists on political economy. What are the neo-classical criticisms on it ?

32. Explain briefly the Latin American experience on international political economy.

33. Briefly illustrate WTO and international political economy view in the context of WTO regime.

34. What is fiscal federalism ? Explain the political economy of fiscal federalism in India.

(2 × 10 = 20 marks)

THIRD SEMESTER P.G. DEGREE EXAMINATION, NOVEMBER 2020

(CCSS)

M.A. Economics

ECO 3C 12—ECONOMICS OF GROWTH AND DEVELOPMENT

(2019 Admissions)

Time : Three Hours   Maximum : 80 Marks

Part A

Answer **all** *questions.*
Each question carries 1 *mark.*

Multiple Choice Questions :

1. "A technical change is neutral if at a constant rate of profit or interest, the capital output ratio also remains constant." This concept was propounded by :

    (a) Kaldor.   (b) Hicks.

    (c) Solow.   (d) Harrod.

2. GDI was introduced for the first time in Human Development Report of :

    (a) 2011.   (b) 2012.

    (c) 2013.   (d) 2014.

3. According to Kuznets, innovation is :

    (a) Application of new knowledge to production process.

    (b) Improvement of efficiency of machines.

    (c) Discovery of new consumption needs.

    (d) Improvement of marketing techniques.

4. Leibenstein in his critical minimum effort thesis treats population as a factor that is :

    (a) Income-generating.   (b) Investment-inducing.

    (c) Income-depressing.   (d) Market-expanding.

5. The term 'Reserve Army of labour' was used by who among the following economists ?

   (a) J. Schumpeter.   (b) J.R. Hicks.

   (c) Karl Marx.   (d) T.R. Malthus.

6. According to Mrs. Robinson, the stage of 'Golden Age' = ——————————.

   (a) Capital growth rate > Labour growth rate.

   (b) Capital growth rate = Labour growth rate.

   (c) Capital growth rate < Labour growth rate.

   (d) Capital growth rate > 1.

7. In dual gap model, the gap can be filled up by :

   (a) Raising the level of saving.   (b) Export promotion.

   (c) Steady rate of growth.   (d) Foreign aid.

8. In the context of steady state growth in Solow's model, the output growth rate overtime will be :

   (a) Increasing.   (b) Decreasing.

   (c) Constant.   (d) Fluctuating.

9. Backward and forward linkages are relevant for which kind of growth strategy ?

   (a) Unbalanced growth.   (b) Trickle down growth.

   (c) Balanced growth.   (d) Equilibrium growth.

10. Which is the better measure of welfare ?

   (a) National Income.   (b) Per Capita Income.

   (c) Per Capita Disposable Income.   (d) Gross National Product.

                                                  (10 × 1 = 10 marks)

Part B (Very Short Answer Questions)

Answer any **five** *questions.*
Each question carries 2 marks.
Answer in one **or** *two sentences each.*

11. What is golden age as described by Mrs. Joan Robinson.

12. Analyze the concept of vicious circle of poverty.

13. What do you mean by optimum population ?

14. What is Kuznets hypothesis ?

15. Distinguish between endogenous and exogenous technical progress.

16. What is deprivation index ?

17. What is meant by capital saving technical progress ?

18. Differentiate between forward and backward linkages.

(5 × 2 = 10 marks)

Part C (Short Answer Questions)

Answer any **eight** *questions.*
Each question carries 5 marks.

19. Examine the doctrine of critical minimum effort thesis.

20. What are the types of unemployment ?

21. What are the major indicators of economic development ?

22. Discuss the applicability of Marxian theory of economic development to under developed Countries.

23. Write a short note on (a) Platinum age ; (b) Golden age.

24. What is the distinctive contribution of dual gap analysis to the theory of development ?

25. Briefly explain the types of Dualism.

26. Explain the characteristics of underdeveloped countries.

27. Critically examine the Mahalanobis model of growth.

28. Briefly explain the theory of balanced growth.

29. What are the characteristics of the different types of financial flow to developing countries.

30. Explain the Hirofumi Uzava model.

(8 × 5 = 40 marks)

Turn over

Part D (Essay Type Questions)

Answer any **two** *questions.*

Each question carries 10 *marks.*

31. Critically examine the Rostow's stages of growth.

32. Explain the neo-classical growth model of Solow.

33. Critically evaluate the Harrod - Domar model of development.

34. Make a critical appraisal of minimum efforts of Leibenstein theory.

(2 × 10 = 20 marks)

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THIRD SEMESTER P.G. DEGREE EXAMINATION, NOVEMBER 2020

(CCSS)

M.A. Economics

ECO 3E 02—RESEARCH METHODOLOGY AND COMPUTER APPLICATION

(2019 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A

Answer **all** *questions.*
Each question carries 1 mark.

Multiple Choice Questions :

1. A researcher selects a probability sample of 100 out of the total population. It is :

    a) A cluster sample.
    b) A random sample.
    c) A systematic sample.
    d) A stratified sample.

2. Attributes of objects, events or things which can be measured are called :

    a) Data.
    b) Sample.
    c) Variables.
    d) None of the above.

3. Below are given some probable characteristics of an ineffective teacher, which of them is most likely to be characterized the ineffective teacher :

    a) Emphasis upon pupil discussion in the clarification of groups goals.

    b) Emphasis upon standards.

    c) Emphasis upon the control of the immediate situation.

    d) None of the above.

4. The research antagonistic to ex-post facto research is :

    a) Experimental studies.
    b) Library researches.
    c) Normative researches.
    d) All of the above.

5. Which of the following is not a type of research question ?

    a) A hypothesis.
    b) Predicting an outcome.
    c) Evaluating a phenomenon.
    d) Developing good practice.

Turn over

6. Which comes first, theory or research ?

    a)   Theory, because otherwise you are working in the dark.

    b)   Research, because that's the only way you can develop a theory.

    c)   It depends on your point of view.

    d)   The question is meaningless, because you can't have one without the other.

7. Which technique is generally followed when the population is finite ?

    a)   Purposive sampling technique.   b)   Area sampling technique.

    c)   Systematic sampling technique.   d)   None of the above.

8. A statistical measure based upon the entire population is called parameter while measure based upon a sample is known as :

    a)   Sample parameter.   b)   Inference.

    c)   None of these.   d)   Statistic.

9. Which of the following variables cannot be expressed in quantitative terms ?

    a)   Socio-economic Status.   b)   Marital Status.

    c)   Numerical Aptitude.   d)   Professional Attitude.

10. Inferring about the whole population based on the observations made on a small part is called :

    a)   Deductive inference.   b)   Inductive inference.

    c)   Pseudo-inference.   d)   Objective inference.

(10 × 1 = 10 marks)

Part B (Very Short Answer Questions)

Answer any **five** *questions.*
Each question carries 2 marks.
Answer in one **or** *two sentences each.*

11. Define Social Science Research.

12. Explain the problem of plagiarism in research.

13. What is cross sectional survey ?

14. Explain research design.

15. Compare Cluster and area sampling.

16. What is Research Methodology ?

17. What is systematic sampling ?

18. Explain the sources of research problem.

(5 × 2 = 10 marks)

Part C (Short Answer Questions)

Answer any **eight** *questions.*
Each question carries 5 marks.

19. State the difference between pure Research and action Research.

20. Explain the merits and demerits of primary data.

21. How will you differentiate between descriptive statistics and inferential statistics ?

22. What are the advantages of SPSS over Excel in social science data analysis ?

23. Explain the role of Graphs and Diagrams in research.

24. How do you define a research problem ? Give three examples to illustrate your answer.

25. What are non-sampling errors ?

26. Distinguish between applied and fundamental research.

27. What are the tools for collecting data ?

28. Explain the important components of research design.

29. What are the different non probability sampling methods used in research ?

30. Explain the role of computer application in research.

(8 × 5 = 40 marks)

Part D (Essay Type Questions)

Answer any **two** *questions.*
Each question carries 10 *marks.*

31. Explain the need and importance of Review of Literature in social science Research.

32. Explain the guidelines for preparing questionnaire. What are the essential characteristics of a good questionnaire ?

33. What is case study ? What are the issues or concerns in conducting case studies ?

34. Explain the need and importance of objectivity and ethics in social science research.

(2 × 10 = 20 marks)

THIRD SEMESTER P.G. DEGREE EXAMINATION, NOVEMBER 2020

(CCSS)

M.A. Economics

ECO 3E 03—ENVIRONMENTAL ECONOMICS

(2019 Admissions)

Time : Three Hours   Maximum : 80 Marks

Part A

Answer **all** *questions.*
Each question carries 1 *mark.*

Multiple Choice Questions :

1. How many goals are come under sustainable development goals ?

    A   15.   B   11.

    C   17.   D   18.

2. According to the 2019 data which is the cleanest country in the world ?

    A   Singapore.   B   Ireland.

    C   Iceland.   D   Finland.

3. If the population growth follows a logistic curve, the maximum sustainable yield :

    A   Is equal to half the carrying capacity.

    B   Is equal to the carrying capacity.

    C   Depends on growth rate.

    D   Depends on initial population.

4. Among the following fuels of energy, which is the most environment friendly ?

    A   Ethanol.   B   Biogas.

    C   CNG.   D   Hydrogen.

Turn over

5. Pollution is an example of market failure because :

    A   The market price is less than the efficient price.

    B   The market price is higher than the efficient price.

    C   Property rights are poorly distributed.

    D   Those who suffer from pollution are compensated outside the market.

6. Which amongst the following would be the most effective in mitigating the effect of externalities ?

    A Fiscal policy.   B Regulation of monopoly.

    C Active monetary policy.   D Freeing the markets.

7. Which of the following is the largest source of water pollution in major rivers of India ?

    A Untreated sewage.   B Agricultural run-off.

    C Unregulated small scale industries. D Religious practices.

8. Example of overuse of environmental resources are :

    A Deforestation and Land degradation.

    B Reforestation and Land up gradation.

    C None.

    D Both.

9. The Chipko Movement, which aimed at protecting forest in the :

    A Kerala.   B Himalayas.

    C Karnataka.   D Maharashtra.

10. Non-renewable resources are those for which there is no process of :

    A Substitution.   B Replenishment.

    C Sustainability.   D Assimilation.

(10 × 1 = 10 marks)

Part B (Very Short Answer Questions)

Answer any **five** *questions.*
Each question carries 2 marks.
Answer in one **or** *two sentences each.*

11. Pollution permits.

12. Values of biodiversity.

13. Externality.

14. Property right.

15. Conservation of resources.

16. Resource Taxonomy.

17. Travel cost method.

18. Efficiency.

(5 × 2 = 10 marks)

Part C (Short Answer Questions)

Answer any **eight** *questions.*
Each question carries 5 marks.

19. Examine the Contingent Valuation Method.

20. Explain the causes for market failure in Environmental Economics.

21. What is environmental protection ? State some protective measures taken in this regard.

22. What are the principles of Economic incentives for tackling international environmental problems ?

23. Discuss pollution as an Economic problem.

24. 'Economic growth and environmental balance do not go together'. Do you agree ?

25. What is global warming ? Examine the environmental impacts of global warming.

26. Explain the consequences of over exploitation of nature.

27. Examine the difficulties of measuring costs of environmental degradation.

28. Examine the major difficulties involved in Environment Cost-Benefit Analysis.

29. Examine the Direct and Indirect methods of environmental valuation.

30. Explain Contingent Valuation Method.

(8 × 5 = 40 marks)

Turn over

Part D (Essay Type Questions)

Answer any **two** *questions.*
Each question carries 10 *marks.*

31. Explain different methods of valuation of the environment. Discuss the role of an economist in environment assessment, management, protection and policy formulations.

32. What is biodiversity ? Examine the Value, Significance and Importance of biodiversity as an environment asset.

33. Discuss the global policies on environmental protection. Examine the major international environmental agreements.

34. What do you mean by natural resources ? How would you explain the phenomenon that the renewable resources seem to be becoming scarcer relative to exhaustible resources ?

(2 × 10 = 20 marks)

D 90554

THIRD SEMESTER M.A./M.Sc./M.Com. DEGREE (SUPPLEMENTARY) EXAMINATION, NOVEMBER 2020

(CUCSS)

Economics

ECO 3C 09—INTERNATIONAL TRADE

(2015 Admissions)

Time : Three Hours   Maximum : 36 Weightage

Part A

*Answer **all** questions.*

*Each bunch of **four** questions carries a weightage of ¼.*

1. The shape of Production Possibility Curve under decreasing opportunity cost is :

    (a) Concave.   (b) Convex.

    (c) Straight line.   (d) None of these.

2. The first comprehensive attempt to verify Hechscher Ohlin model was made by :

    (a) Wasssily Leontief.   (b) Samuelson.

    (c) I.B Kravis.   (d) D Young.

3. The practice of charging a product price which is less than its cost of production by countries in the rest of the world is known as :

    (a) Price discrimination.   (b) Average cost pricing.

    (c) Dumping.   (d) Full cost pricing.

4. The head quarter of WTO is in :

    (a) Manila.   (b) Vienna.

    (c) Washington.   (d) Geneva.

5. The tariff which maximizes a country's economic welfare is called :

    (a) Effective tariff.   (b) Optimum tariff.

    (c) Protective tariff.   (d) Revenue tariff.

Turn over

6. Dutch disease refers to :

    (a)   A boom in traded good sector leading to a decline in other traded good sector.

    (b)   A boom in traded good sector leading to a boom in other traded sector.

    (c)   A recession in a traded good sector leading to a recession in other traded good sector.

    (d)   A recession in a traded good sector leading to a boom in other traded good sector.

7. Product Life Cycle hypothesis was developed by :

    (a)   Samuelson.   (b)   I.B Kravis.

    (c)   Louis T. Wells.   (d)   Donald B. Keesing.

8. Protectionism in international trade stands for :

    (a)   Free trade.   (b)   Restricted trade.

    (c)   Both.   (d)   None of these.

9. Which one of the following is not an assumption of Posner's Imitation Gap theory ?

    (a)   Two countries.

    (b)   Similar factor endowments in two countries.

    (c)   Demand conditions are different in both.

    (d)   Pre-trade factor price ratios are similar.

10. The theory which enunciates that the secular deterioration in terms of trade has been an important factor in inhibiting the growth of LDCs :

    (a)   Immisering growth theory.   (b)   Opportunity cost theory.

    (c)   H.O. theory.   (d)   Prebisch-Singer theory.

1. Which among the following concept of terms of trade shows a country's changing import capacity in relation to changes in its exports ?

    (a)   Income terms of trade.   (b)   Gross barter terms of trade.

    (c)   Net factor terms of trade.   (d)   Single factoral terms of trade.

12. Which among the following is not a member of SAARC ?

    (a)   India.   (b)   Singapore.

    (c)   Sri Lanka.   (d)   Nepal.

$(12 \times \frac{1}{4} = 3$ weightage$)$

Part B (Very Short Answer Questions)

*Answer any **five** questions.*
Each question carries 1 weightage.

13. Import Quota.

14. Dutch Disease.

15. Customs Union.

16. Optimum Tariff.

17. WTO.

18. Foreign Trade Multiplier.

19. Effective Rate of Protection.

20. Reciprocal demand.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

*Answer any **eight** questions.*
Each question carries 2 weightage.

21. Examine the role of trade in economic development.

22. What is an offer curve ? How is it derived ?

23. Explain the Immiserising Growth Theory.

24. Explain the importance of the concept terms of trade. What are the main terms of trade Concepts ?

25. What are the objectives of ASEAN ? How will India benefit from its membership ?

26. What do you mean by factor intensity reversal ? Explain.

27. Define Dumping. Explain the various anti dumping measures.

28. Distinguish between export promotion and import substitution strategies.

29. Briefly explain the factor price equalization theorem.

30. Give a brief account of merits and demerits of protection.

31. Examine the effect of economic growth on international trade.

(8 × 2 = 16 weightage)

Turn over

Part D (Essay Questions)

Answer any **three** *questions.*
Each question carries 4 weightage.

32. Critically evaluate the Factor Endowment theory of International Trade.

33. Distinguish between nominal and effective rate of protection. Examine the importance and limitations of effective rate of protection.

34. Examine the effect of labour saving, capital saving and neutral technical progress on output and Terms of trade of a country.

35. What is a customs union ? Explain the effects of customs union by using partial equilibrium and general equilibrium analysis.

36. Explain the objectives and organization of SAARC. What measures have been adopted by SAARC to increase trade and economic co-operation among member countries ? Explain.

(3 × 4 = 12 weightage)

THIRD SEMESTER M.A./M.Sc./M.Com. DEGREE (SUPPLEMENTARY) EXAMINATION, NOVEMBER 2020

(CUCSS)

Economics

ECO 3C 11—BANKING : THEORY AND PRACTICES

(2015 Admissions)

Time : Three Hours　　　　　　　　　　　　　　　　Maximum : 36 Weightage

Part A

Answer **all** *questions.*

Each bunch of **four** *questions carries a weightage of* ¼.

Multiple Choice Questions :

1. The amount of legal currency issued should be limited to the Gold Reserve kept by the Central bank, means :

    a) Full convertibility of the currency.　b) Partial Fiduciary system.

    c) Maximum Fiduciary system.　d) Proportionate Reserve system.

2. Eleven countries in the European Economic and Monetary Union decided to give up their individual currencies and adopt the new 'Euro Currency' in the year :

    a) April 1991.　　　　　b) July 2000.

    c) January 1999.　　　　d) September 1995.

3. A cheque presented at the bank on which it is drawn, after a reasonable length of time, has elapsed from the date of drawing is :

    a) Bounced cheque.　　　b) Stale cheque.

    c) Marked cheque.　　　d) Post-dated Cheque.

4. The Negotiable Instrument (India) Act, came into existence on :

    a) 1st April 1885.　　　b) 12th March 1882.

    c) 19th July 1950.　　　d) 1st November 1938.

Turn over

5. The market in which prices are going up and the market sentiments are highly optimistic is called :

   a) Bear Market.   b) Capital Market.

   c) Bull Market.   d) Money Market.

6. The offence under Section 138 of the Negotiable Instrument (India) Act, is deemed to have been if the drawer fails to make payment within ————— period from the date of the receipts of the notice.

   a) One Month.   b) 45 days.

   c) 15 days.   d) 3 Months.

7. The term that denotes the relationship between the Cash Reserve Ratio and the total volume of deposits, is :

   a) Repo Rate.   b) Credit Multiplier.

   c) Reverse Repo Rate.   d) Statutory Liquidity Ratio.

8. In the case of Bills of Exchange, the person who is directed to pay is called :

   a) Drawee.   b) Drawer.

   c) Payee.   d) Payer.

9. A common place where mutual indebtedness between the members are settled is called :

   a) Stock Market.   b) Clearing House.

   c) Discount House.   d) Commercial Banks.

10. Regarding a fixed deposit, the relation between a banker and a customer is like a relationship of

    a) Debtor and Creditor.   b) Creditor and Debtor.

    c) Trustee and Beneficiary. d) Principal and Agent.

11. Which is the first Public Sector bank to introduce Merchant Banking in India ?

    a) Central Bank of India.   b) SBI.

    c) Oriental Bank of Commerce. d) Bank of Baroda.

12. Italian Mathematician, Lucas Pacioli developed a system in 1494. What is the name of this system in the field of commerce ?

    a) Balance sheet system.   b) Profit & Loss system.

    c) Double Entry system.   d) Single Entry system.

                                                        (12 × ¼ = 3 weightage)

Part B (Very Short Answer Questions)

*Answer any **five** questions.*
Each question carries a weightage of 1.

13. What is an ATM ? What are the uses of it ?

14. What do you mean by hedging ?

15. Write a note on Apex Bank.

16. What is social banking ?

17. What is MUDRA Bank ?

18. What is meant by Core banking ?

19. Balance sheet of a bank.

20. Banking Ombudsman.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

*Answer any **eight** questions.*
Each question carries a weightage of 2.

21. What the innovations in banking transactions ?

22. Illustrate the process of credit creation with an example.

23. Elucidate the need for priority sector lending.

24. What are the advantages and disadvantages of virtual banking ?

25. Describe the importance of bank for international settlement.

26. Explain the role of CIBIL.

27. What are quantitative credit control measures of RBI ?

28. What are the instruments of liquidity management ?

29. Write a note on the functioning of Bank of England.

30. How will you tackle the problem of growing NPA of banks ?

31. What are RBI's measures to target inflation ?

(8 × 2 = 16 weightage)

Turn over

Part D (Essay Questions)

Answer any **three** *questions.*
Each question carries a weightage of 4.

32. Discuss, what happens to the economy if RBI loses its autonomy.

33. "De-regulation of banking sector is viable option for India's fast economic growth". Do you agree ? Give your arguments.

34. Critically examine monetary and financial sector reforms in India.

35. Describe the Challenges to Indian Commercial Banks.

36. Discuss the role of Specialized Financial Institutions in India's economic development.

(3 × 4 = 12 weightage)

THIRD SEMESTER M.A./M.Sc./M.Com. DEGREE (SUPPLEMENTARY) EXAMINATION, NOVEMBER 2020

(CUCSS)

Economics

ECO 3C 10—GROWTH AND DEVELOPMENT

(2015 Admissions)

Time : Three Hours   Maximum : 36 Weightage

Part A (Multiple Choice Questions)

Answer **all** *questions.*

Each bunch of **four** *questions carries a weightage of ¼.*

1. The development measure, that includes dimensions of women on re-productive health, empowerment and labour market participation is :

    (a) GEM.   (b) GII.

    (c) GRDI.   (d) MPI.

2. Circular concentration of forces tending to act and react upon one another in such a way to keep a poor country in abject poverty is called :

    (a) Poverty gap.   (b) Deprivation .

    (c) Vicious circle of poverty.   (d) Stagnation.

3. According to David Ricardo, 'the rate of capital accumulation in any economy depends on' :

    (a) Ability and willingness to save.

    (b) Rate of growth of population.

    (c) Rapid industrialization.

    (d) High productivity of the economic factors.

4. The term involuntary unemployment is associated with :

    (a) Ragnar Nurkse.   (b) J. M. Keynes.

    (c) Michael Phelps.   (d) Joan Robinson.

5. To Karl Marx, technological progress is generally :

    (a) Labour displacing.

    (b) Labour augmenting.

    (c) Capital displacing.

    (d) Leading to falling rate of profit.

6. The growth rate that is required for the full utilization of a growing stock of capital, according to Harrod, is :

    (a) Actual growth rate.   (b) Natural growth rate

    (c) Warranted growth rate.   (d) Knife-edge growth rate.

7. The author of 'the Economic Development with Unlimited Supplies of Labour' is :

    (a) Arthur Laffer.   (b) Arthur Lewis.

    (c) R. F. Harrod.   (d) John Fei and Gustav Ranis.

8. Labour-saving Technical progress requires.

    (a) MPL and APL remains the same. (b) MPL > MPK.

    (c) MPL < MPK.   (d) Any of the above.

9. The knife-edge equilibrium of Harrod model is due to the crucial assumption that production takes place by combining labour and capital under conditions of :

    (a) Fixed proportions.   (b) Variable proportions.

    (c) Perfect substitute.   (d) Technological up-gradation.

10. The concept, 'Technological Dualism' was propounded by :

    (a) Bejamin Higgins.   (b) J. H. Boek

    (c) Arthur Lewis.   (d) Gunnar Myrdal.

11. Which among the following is not a component in the HDI ?

    (a) Life Expectancy at Birth.   (b) Adult Literacy Rate

    (c) GDP Per capita.   (d) Standard of Living.

12. India's Second Five Year Plan was based on :

    (a) Domar Model.   (b) Chakravarthy Model.

    (c) Mahalanobis Model.   (d) Rudra Model.

(12 × ¼ = 3 weightage)

Part B (Very Short Answer Questions)

Answer any **five** *questions.*
Each question carries a weightage of 1.

13. Distinguish between Economic growth and economic development.

14. What is Kuznet's inverted U hypothesis ?

15. What are the characteristics of a Planned Economy ?

16. Write a short note on SOC and EOC.

17. What is meant by shadow pricing ?

18. Distinguish between Embodied and Dis-embodied Technical change.

19. Give a brief note on the concept of "Swarm-like clusters" in innovation theory.

20. Write a brief note on entitlement and capability approach.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any **eight** *questions.*
Each question carries a weightage of 2.

21. Critically evaluate Marxian Theory of Economic Development.

22. Explain Critical Minimum Effort Thesis.

23. Describe Myrdal's Theory of Circular Causation.

24. Evaluate Fei-Ranis models of economic growth.

25. What are the sources of finance for economic development ? Mention the limitations of adverse balance of payment.

Turn over

26. Explain Human Poverty Index.

27. Discuss the case for and against market failure. Bring out the limits to growth in LDCs ?

28. Explain Perbish-Singer hypothesis.

29. Briefly explain the uses of input output analysis in development planning.

30. What are the features of economic development ?

31. Examine Sen's capability approach.

(8 × 2 = 16 weightage)

Part D (Essay Questions)

Answer any **three** *questions.*

Each question carries a weightage of 4.

32. Describe knife-edge equilibrium. Discuss the possibilities of divergence from this equilibrium.

33. Describe the merits of Cost Benefit Analysis. Bring out its limitations.

34. State Linear Programming method. Evaluate the uses of Linear Programing in development planning

35. Explain Joan Robinson's capital accumulation growth model. Is this applicable to under developed countries. Why ?

36. Describe the factors limiting India's 'sustainable economic development' efforts.

(3 × 4 = 12 weightage)

THIRD SEMESTER M.A./M.Sc./M.Com. DEGREE (REGULAR) EXAMINATION NOVEMBER 2020

(CBCSS)

Economics

ECO 3E 01—BANKING—THEORY AND PRACTICE

(2019 Admissions)

Time : Three Hours
Maximum : 30 Weightage

Part A

Answer **all** *questions.*

Each question carries $\frac{1}{5}$ *weightage.*

Multiple Choice Questions :

1. A banking system where business is carried on by a bank through a network of branches spread throughout the country is known as :

    (a) Unit banking. (b) Branch banking.

    (c) Chain banking. (d) Group banking.

2. India's first Women's Bank The Bharatiya Mahila Bank' was inaugurated in which city ?

    (a) Mumbai. (b) Delhi.

    (c) Kolkata. (d) Chennai.

3. EFT stands for ————.

    (a) Electronic Fund Transmission.

    (b) Electronic Fund Transfer.

    (c) Electronic Finance Transfer.

    (d) None of these.

4. RTGS is ————.

    (a) Real Time Gross Settlement. (b) Real Term Gross Settlement.

    (c) Real Time Goal Settlement. (d) Real Term Goal Settlement.

5. Which of the following is used for International Monetary Transfer ?

    (a) ECS. (b) RTGS.

    (c) NEFT. (d) SWIFT.

Turn over

6. Which one of the statement is not true ?

   (a) Institutional infrastructure facilities make intelligence.

   (b) STC is the chief canalizing agent for export and import of agriculture products.

   (c) IIPO organizes trade fairs and exhibitions.

   (d) Letter of credit does not indicate that the bank will pay the value of imports to the exporter.

7. In order to control credit and investment, the Central Bank of a country should :

   (a) Sell securities in the open market and hike the cash reserve ratio.

   (b) Buy securities in the open market and lower the cash reserve ratio.

   (c) Buy securities from the open market and hike the cash reserve ratio.

   (d) Sell securities in the open market and lower the cash reserve ratio.

8. The Commercial Banks in India are governed by :

   (a) Reserve Bank of India Act, 1934.

   (b) Indian Companies Act, 1956.

   (c) Indian Banking Regulation Act, 1949.

   (d) Securities and Exchange Board of India Act, 1993.

9. The Securities and Exchange Board of India was not entrusted with the function of :

   (a) Investor protection.

   (b) Ensuring fair practices by companies.

   (c) Promotion of efficient services by brokers.

   (d) Improving the earning of equity holders.

10. Which of the following is characteristic feature of foreign exchange markets ?

    (a) Merchant Market.   (b) Inter-bank market.

    (c) International Market.   (d) All the above.

11. Where is the Bank of International Settlement headquartered ?

    (a) Belgium.   (b) France.

    (c) Germany.   (d) Switzerland.

12. What is the full form of LIBOR ?

    (a) London-Indian Bank Offered Rate.

    (b) London-India Bureau of Regulations.

    (c) Liberal International Bank Official Ratio.

    (d) London Inter-Bank Offered Rate.

13. In a quote exchange rate, the currency that is to purchase with another currency is called :

    (a) Liquid currency.   (b) Foreign Currency.

    (c) Domestic Currency.   (d) Base Currency.

14. In India currency-notes issue system is based on :

    (a) Proportional Reserve System.

    (b) Minimum Reserve System.

    (c) Fixed Exchange Rate System.

    (d) Full Convertibility System.

15. If a cheque presented for payment after three months from the date of the cheque is known as :

    (a) Self cheque.   (b) Mutilated cheque

    (c) Local cheque.   (d) Stale cheque.

$$(15 \times \tfrac{1}{5} = 3 \text{ weightage})$$

Part B (Very Short Answer Questions)

Answer at least **four** *questions.*
Each question carries 1 weightage.
All questions can be attended.
Overall Ceiling 4.

16. What is BIS ?

17. What is meant by NPA ?

18. Write a note on virtual payment system.

19. What is the significance of MUDRA Bank ?

20. Distinguish between repo and reverse repo.

21. Define Balance Sheet of a bank.

22. Write a note on Hedging and Hedge Fund.

23. What is meant by MICR clearing ?

$$(4 \times 1 = 4 \text{ weightage})$$

Section C (Short Answer Questions)

Answer at least **five** *questions.*
Each question carries 3 weightage.
All questions can be attended.
Overall Ceiling 15.

24. Describe the need of liquidity management in commercial banks.

25. What are the merits and demerits of New Generation Banks ?

26. What are monetary policy instruments of RBI ?

27. Describe SARFAESI Act.

28. Explain innovations in banking transactions.

29. Describe the need of priority sector lending.

30. What are the functions of Banking Ombudsman.

31. What are basic commercial banking principles ?

32. Describe the reasons behind the spread of international banking in India.

33. What is COFEPOSA ACT ?

(5 × 3 = 15 weightage)

Section D (Essay Questions)

Answer at least **two** *questions.*
Each question carries 4 weightage

34. Compare and contrast RBI and Federal Reserve System.

35. Illustrate the process of credit creation in commercial banks with multiple banking networks.

36. What are specialized financial institutions ? Describe its role in economic development.

37. Critically evaluate the Banking Sector Reforms in India since 1991.

(2 × 4 = 8 weightage)

THIRD SEMESTER M.A./M.Sc./M.Com. DEGREE (REGULAR) EXAMINATION, NOVEMBER 2020

(CBCSS)

Economics

ECO 3C 11—BASIC ECONOMETRICS

(2019 Admissions)

Time : Three Hours 　　　　　　　　　　　　　　　　　　Maximum : 30 Weightage

Section A

Answer **all** *questions.*

Each question carries 1/5 weightage.

Multiple Choice Questions :

1. Type I error is :

    a) Failing to reject the null when it is false.

    b) Rejecting the null when it is true.

    c) Rejecting the null when it is false.

    d) None of the above.

2. Partial correlations are a useful indicator of :

    a) Multicollinnearity. 　　　　　b) Autocorrelation.

    c) Heteroscedasticity. 　　　　　d) Normality.

3. WLS is used to correct for :

    a) Multicollinearity. 　　　　　b) Autocorrelation.

    c) Heteroscedasticity. 　　　　　d) Correlation.

4. A linear function has :

    a) Varying slope and constant elasticity.

    b) Varying slope and varying elasticity.

    c) Constant slope and constant elasticity.

    d) Constant slope and varying elasticity.

Turn over

5. In a regression model, $Y = a + bX + u_i$:

    a) Y is the regressor ; X is the explanatory variable.

    b) Y is the regressand ; x is the explanatory variable.

    c) y is independent variable ; x is the dependent variable.

    d) y is independent variable ; x is outcome variable.

6. Degree of freedom refers to :

    a) Number of observations minus number of constraints.

    b) Number of observations plus number of constraints.

    c) Number of constraints minus number of observations.

    d) None of the above.

7. Consider two regression models (1 and 2) with R^2 of 0.52 and 0.89 respectively. Which among the following statements is true :

    a) Goodness of fit in regression 1 is more that of 2.

    b) Goodness of fit in regression 2 is more than that of 1.

    c) Both (a) and (b) are true.

    d) None of the above.

8. Linear regression is estimated through :

    a) MLE.   b) FIML.

    c) PIML.   d) OLS.

9. Given regression co-efficient $b = 2$ and standard error of 0.5. the value of t ratio is :

    a) 2.   b) 4.

    c) 1.   d) 2.5.

10. Exact level of significance is obtained through :

    a) F-ratio.   b) t-ratio.

    c) Chi-square.   d) p-value.

11. The NSSO datasets are :

    a) Cross section data.　　　　　b) Time series data.

    c) Panel data.　　　　　　　　d) Pooled data.

12. Level of confidence is equal to :

    a) 100

    b) 100% + level of significance.

    c) 100% – level of significance.

    d) 5%.

13. An example of an econometric software :

    a) Adobe Photoshop.　　　　　b) SPSS.

    c) Microsoft Word.　　　　　　d) None of the above.

14. In Linear Probability Model, the :

    a) Regressand is dichotamous.　　b) Regressond is ordinal variable.

    c) Regressor is dichotomous.　　d) Regressor is ordinal.

15. The distribution underlying the probit model is :

    a) Normal distribution.　　　　b) Logistic distribution.

    c) Chi-square.　　　　　　　　d) F distribution.

$$(15 \times 1/5 = 3 \text{ weightage})$$

Section B (Very Short Answer Questions)

Answer at least **four** *questions.*
Each question carries 1 weightage.
All questions can be attended.
Overall Ceiling 4.

16. What is Autocorrelation ?

17. Distinguish between parameter and statistic.

18. Describe co-efficient of determination ?

19. Explain regression analysis ?

20. Distinguish between null and alternative hypothesis.

21. What is multicollinearity ?

Turn over

22. Define Econometrics.

23. Specify a probit model.

(4 × 1 = 4 weightage)

Section C (Short Answer Questions)

Answer at least **five** *questions.*
Each question carries 3 weightage.
All questions can be attended.
Overall Ceiling 15.

24. Discuss the scope of econometrics.

25. Explain Multicollinearity and its consequences.

26. State and explain the Gauss Markov Theorem.

27. Explain Autocorrelation and its remedial measures.

28. What is mean by ANOVA and how it differs from ANCOVA.

29. Discuss the method of piecewise regression analysis.

30. What is co-efficient of determination ? Distinguish between R^2 and adjusted R^2.

31. Briefly discuss OLS using dummy variable model.

32. What are different types of specification errors.

33. Explain logit model.

(5 × 3 = 15 weightage)

Section D (Essay Type Questions)

Answer at least **two** *questions.*
Each question carries 4 weightage.
All questions can be attended.
Overall Ceiling 8.

34. Critically evaluate methodology of econometric research.

35. State the assumptions of Classical Linear Regression Model.

36. Explain autocorrelation ? What are its sources and detection methods ?

37. What is heteroscedasticity ? Explain detection and remedial measures ?

(2 × 4 = 8 weightage)

THIRD SEMESTER M.A./M.Sc./M.Com. DEGREE (REGULAR) EXAMINATION NOVEMBER 2020

(CBCSS)

Economics

ECO 3C 10—GROWTH AND DEVELOPMENT

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Section A

Answer **all** *questions.*
Each question carries 1/5 weightage.

Multiple Choice Questions :

1. Which among the following is not a true measure of economic development ?

    a) HDI.

    b) National Income.

    c) HPI.

    d) PQLI.

2. HDI as a measure of economic development is suggested by :

    a) UNO.

    b) UNICEF.

    c) UNDP.

    d) UNESCO.

3. According to HDI measure, nations may be regarded as most highly developed if the value of HDI is :

    a) Equal to One.

    b) Greater than One.

    c) Greater than or equal to Zero.

    d) Less than Zero.

4. Which among the following is not an important determinant/s of human development ?

    a) Longevity, measured by life expectancy at birth.

    b) Knowledge, measured by adult literacy and years of schooling.

    c) Standard of living, measured by the real per capita income.

    d) Infant Mortality Rate, measured by the death of infants below age 05 years.

5. Which of the following is a major limitation of PQLI ?

    a) There is no unanimity among economists as to number and types of items to be included.

    b) Social indicators are concerned with current welfare and are not related to the future.

    c) Many of the social indicators are subjective in character and differ from country to country.

    d) All the above.

6. Which of the following is the HPI formula constructed for developing countries ?

    a) $HPI = \left[\frac{1}{3}\left(P_1^{\alpha} + P_2^{\alpha} + P_3^{\alpha}\right)\right]^{1/\alpha}$.

    b) $HPI = \left[\frac{1}{4}\left(P_1^{\alpha} + P_2^{\alpha} + P_3^{\alpha} + P_4^{\alpha}\right)\right]^{1/\alpha}$.

    c) $HPI = \left[\frac{1}{4}\left(P_1^{\alpha} + P_2^{\alpha} + P_3^{\alpha} + P_4^{\alpha}\right)\right]^{1/4}$.

    d) $HPI = \left[\frac{1}{3}\left(P_1^{\alpha} + P_2^{\alpha} + P_3^{\alpha}\right)\right]^{1/3}$.

7. The complete lack of the means necessary to meet basic personal needs, is regarded as :

    a) Vicious circle of Poverty.   b) Absolute Poverty.

    c) Relative Poverty.   d) None of these.

8. Vicious circle of poverty takes place due to the small size of the market, is the opinion of :

    a) Ragnar Nurkse.   b) Charles P. Kindleberger.

    c) Meier and Baldwin.   d) Rosenstein Rodan.

9. That which measures the total amount of income necessary to raise the people who are below the poverty line to that line :

    a) Poverty gap.   b) Absolute Poverty.

    c) Relative Poverty.   d) Bread Line.

10. "Development is a chain of disequilibria, ———— thus, the task of development policy is to maintain tensions, disproportions and disequilibria," is the core idea behind.

    a) Balanced Growth strategy.   b) Unbalanced Growth strategy.

    c) Big Push theory.   d) Critical Minimum Effort thesis.

11. The concept of cumulative causation is associated with :

    a) N. S. Buchanan.   b) Gunnar Myrdal.

    c) Prebish-Singer.   d) Arthur Lewis.

12. Kuznet's inverted U hypothesis emphasizes :

   a) Poverty.
   b) Inequalities in Income Distribution.
   c) Economic Backwardness.
   d) Both Poverty and Inequality.

13. The situation in which $\partial X/\partial L < \partial X/\partial K$, is a :

   a) Capital deepening technique.
   b) Labour deepening technique.
   c) Labour augmenting technique.
   d) Neutral Technique.

14. "The explanation of the development must be sought outside the group of facts which are described by economic theory", is a statement by :

   a) R. F. Harrod.
   b) Rosenstein Rodan.
   c) Joseph. A. Schumpeter.
   d) Benjamin Higgins.

15. "Assistance whose disbursement is tied to capital investment in separable productive activity" is called :

   a) Grant.
   b) Project aid.
   c) Programme Aid.
   d) Subsidy.

$$(15 \times 1/5 = 3 \text{ weightage})$$

Section B (Very Short Answer Questions)

Answer at least **four** *questions.*
Each question carries 1 weightage.
All questions can be attended.
Overall Ceiling 4.

16. Distinguish the Take-off stage and the Drive to maturity stage.

17. What is meant by the process of cumulative causation ?

18. Elucidate the concept of spill-over effect and spread effect.

19. Differentiate between Relative Poverty and Absolute Poverty.

20. Write a short note on PQLI.

21. Write a brief note on prior saving theory.

22. What is the emphasis of 'endogenous growth theory' ?

23. What do you mean by choice of technology ?

$$(4 \times 1 = 4 \text{ weightage})$$

Turn over

Section C (Short Answer Questions)

Answer at least **five** *questions.*
Each question carries 3 weightage.
All questions can be attended.
Overall Ceiling 15.

24. Elucidate Leibeinstein's Critical Minimum Effort Thesis.

25. What are the solutions of dependency theory by ECLA ?

26. Discuss the concept of balanced growth theory.

27. How does the institutional structures and rules of behaviour acts as necessary conditions for economic activity to flourish ?

28. Discuss Fei-Rannis Model of economic growth.

29. Explain Mahalanobis two sector model.

30. What are the limits to economic growth and development ?

31. What is Kuznet's inverted U hypothesis ?

32. Examine Big Push theory.

33. Discuss the theory of surplus value.

(5 × 3 = 15 weightage)

Section D (Essay Questions)

Answer at least **two** *questions.*
Each question carries 4 weightage.
All questions can be attended.
Overall Ceiling 8.

34. Critically explain Harrod- Domar growth model.

35. Define HDI. Examine HDI as a measure of economic development.

36. Examine the rationale of Neo-classical Growth Models.

37. What are the sources of finance for economic development ? Mention the limitations of adverse balance of payment.

(2 × 4 = 8 weightage)

THIRD SEMESTER M.A./M.Sc./M.Com. DEGREE (REGULAR) EXAMINATION NOVEMBER 2020

(CBCSS)

Economics

ECO 3C 09—INTERNATIONAL TRADE

(2019 Admissions)

Time : Three Hours   Maximum : 30 Weightage

Part A (Multiple Choice Questions)

Answer **all** *questions.*
Each question carries 1/5 weightage.

1) ————— is the assumption of reciprocal demand theory.

    (a) Multiplier.   (b) Monopoly.

    (c) Laissez faire.   (d) Terms of trade.

2) To evaluate —————, the costs and benefits of every option available must be considered and weighed against the others.

    (a) Marginal costs.   (b) Opportunity costs.

    (c) Forward rate.   (d) Spot rate.

3) The Structure of the American Economy is the work of —————.

    (a) Keynes.   (b) Leontief.

    (c) Ohlin.   (d) Edgeworth.

4) Metzler formula depicts that the higher this elasticity, ————— is the paradox.

    (a) Less.   (b) High.

    (c) Neutral.   (d) Negative.

5) Product cycle model was originally developed by —————.

    (a) M.V. Posne.   (b) Samuelsson.

    (c) Raymond Vernon and S. Hirsch.   (d) Crowther.

6) Kravis developed ————— theory.

    (a) Product cycle.   (b) Availability.

    (c) Factor price.   (d) Reciprocal.

Turn over

7) Rybczynski theorem displays how changes in ———————— affect the outputs of the goods when full employment is sustained.

    (a) Employment.   (b) Endowment.

    (c) Factors.   (d) Inputs.

8) ———————— effect occurs as a result of the extra revenue brought in by the resource boom :

    (a) Importing.   (b) Spending.

    (c) Borrowing.   (d) Buying.

9) ———————— are paid by domestic consumers and not the exporting country.

    (a) Dividends.   (b) Relative price.

    (c) Tariffs.   (d) All the three.

10) ———————— is tariff in reverse.

    (a) Protection.   (b) Revenue.

    (c) Incentives.   (d) Subsidies.

11) A common market is the most significant step towards full ————————.

    (a) Trading.   (b) Employment.

    (c) Cartel.   (d) Economic integration.

12) The framework of the theory of economic integration was laid out by *Jacob Viner* in ————————.

    (a) 1951.   (b) 1952.

    (c) 1950.   (d) 1953.

13) ———————— lead to reduction of tariffs for intra-regional trade among SAARC countries.

    (a) ADB.   (b) ASEAN.

    (c) SAFTA.   (d) NAFTA.

14) CFSP means ————————.

    (a) Common Foreign and Security Problem.

    (b) Common Foreign and Security Portfolio.

    (c) Common Foreign and Security Policy.

    (d) Common Foreign and Service Policy.

15) The terms trade creation and trade diversion are associated with ————————.

    (a) Jacob Viner.   (b) Edgeworth.

    (c) Marshall.   (d) Myrdal.

(15 × 1/5 = 3 weightage)

Section B (Very Short Answer Type Questions)

Answer at least **four** *questions.*
Each question carries 1 weightage.
All questions can be attended.
Overall Ceiling 4.

16) Explain the contribution of trade on the development of a country.

17) Define economies of scale.

18) Explain Offer Curve.

19) Explain imperfect competition and international trade.

20) What is Rybcyznski theorem ?

21) Write a note on export subsidies.

22) What is customs union ?

23) What do you mean by exchange control ?

(4 × 1 = 4 weightage)

Section C (Short Answer Type Questions)

Answer at least **five** *questions.*
Each question carries 3 weightage.
All questions can be attended.
Overall Ceiling 15.

24) What do you mean by terms of trade ? Explain its different types.

25) Compare factor abundance and factor intensity.

26) Explain briefly the foreign trade Multiplier.

27) Explain briefly the Dutch Disease.

28) What are the effects of growth on trade ?

29) Explain import substitution and export promotion in international trade.

30) What is tariff ? Briefly explain its effects.

31) Write a note on international cartels.

32) Write a note on ASEAN.

33) Explain Global trading and WTO.

(5 × 3 = 15 weightage)

Turn over

Section D (Essay Type Questions)

Answer at least **two** *questions.*
Each question carries 4 weightage.
All questions can be attended.
Overall Ceiling 8.

34) Critically Explain Hechscher-Ohlin theory of international trade.

35) Briefly explain Myrdal's view on growth and international trade.

36) Explain economic integration. Illustrate any two regional integrations.

37) Explain briefly how trade act as the engine of growth of a country.

(2 × 4 = 8 weightage)

THIRD SEMESTER M.A./M.Sc./M.Com. DEGREE (SUPPLEMENTARY) EXAMINATION, NOVEMBER 2020

(CUCSS)

Economics

ECO 3C 12—BASIC ECONOMETRICS

(2015 Admissions)

Time : Three Hours Maximum : 36 Weightage

Part A

*Answer **all** questions.*
*Each bunch of **four** questions carries a weightage of 1.*

1. In an exponential model of type $Y_i = X_i^\beta \, e^u$ the parameter β stands for the :

   (a) Slope. (b) Slope and Elasticity

   (c) Elasticity. (d) Growth rate.

2. In the regression model $y = \alpha + \beta X + u$ the regression coefficient β is estimated as :

   (a) $\dfrac{Cov\,[X,\,Y]}{Var\,[X]\,Var\,[Y]}.$ (b) $\dfrac{Cov\,[X,\,Y]}{Var\,[X]}.$

   (c) $\dfrac{Cov\,[X,\,Y]}{Var\,[Y]}.$ (d) $\dfrac{Cov\,[X,\,Y]}{s.d.\,[X] \times s.d.\,[Y]}.$

3. When ESS and TSS are respectively the Explained Sum of Squares and Total Sum of Squares the coefficient of correlation, r^2 is :

   (a) $\dfrac{ESS}{TSS}.$ (b) $\dfrac{TSS}{ESS}.$

   (c) $I - \dfrac{ESS}{TSS}.$ (d) $I - \dfrac{TSS}{ESS}.$

4. If we have very few cross-sectional observations and large number of time series observations the regression run on combing the two data types is known as :

   (a) Piecewise regression. (b) Spline regression.

   (c) Switching regression. (d) Pooled regression.

Turn over

5. Which of the following problem occurs when the random disturbance term in the model is correlated ?

   (a) Heteroscedasticity.

   (b) Multicollinearity.

   (c) Auto correlation.

   (d) Conditional Heteroscedasticity.

6. Regression models containing an admixture of quantitative and qualitative variables are called :

   (a) ANOVA models.

   (b) ANCOVA models.

   (c) Parallel regressions.

   (d) Coincident regressions.

7. A combination of first order autoregressive and first order moving average scheme is known as :

   (a) AR (1) scheme.

   (b) ARCH (1) process.

   (c) ARMA (1, 1) scheme.

   (d) GARCH process.

8. In the k-variable case, the main diagonal elements in the simple correlation matrix are all :

   (a) Zero.

   (b) One.

   (c) Less than One.

   (d) More than One.

9. Variables that do not have probability distribution are :

   (a) Random variables.

   (b) Stochastic variables.

   (c) Non-deterministic variables.

   (d) Non-stochastic variables.

10. When R^2 very high and regression co-efficients are statistically not significant by the conventional 't' test, it is an indication of :

   (a) Heteroscedasticity.

   (b) Multicollinearity.

   (c) Homoscedasticity.

   (d) Serial correlation.

11. The function $\log Y = \alpha - \beta X^{-1} + u$ is :

   (a) Reciprocal.

   (b) Logarithmic.

   (c) Logarithmic reciprocal.

   (d) Semi-logarithmic.

12. 'Introductory econometrics : 'A Modern Approach' is authored by :

(a) G. S. Maddala.

(b) Chandan Mukharjee.

(c) Johnston. J

(d) J. M. Wooldridge.

(12 × ¼ = 3 weightage)

Part B

Answer any **five** *questions.*

Each question carries a weightage of 1.

13. Distinguish between point estimator and interval estimator.

14. Distinguish between regression and causation.

15. Explain the meaning of the term 'linear' regression.

16. How will you interpret the slope coefficients in the LPM model ? Explain.

17. What is a standardised variable ? What is its characteristic ?

18. Explain what is confidence interval.

19. Explain the meaning of the term 'mean prediction'.

20. What is regression fishing ?

(5 × 1 = 5 weightage)

Part C

Answer any **eight** *questions.*

Each question carries a weightage of 2.

21. Write a note on the accuracy of economic observations.

22. What are the various hypotheses that can be test using F-test ? Explain.

23. Explain how to estimate a quadratic function using a polynomial regression model, using a simple example.

24. How to detect equation specification errors ? Explain.

25. *"Although dummy variable technique is a versatile tool it needs to be handled carefully"* do you agree. Why ?

Turn over

26. What is heteroscedasticity ? Why is the assumption of homoscedasticity violated ?

27. What do you mean by specification errors ? Explain.

28. Why does autocorrelation arise in practice ? Explain.

29. Explain the drawbacks of Linear Probability Models as a tool for running regression on dummy dependent variable.

30. Given the estimated total cost function as $\hat{C}(Q) = \beta_0 + \beta_1 Q + \beta_2 Q^2 + \beta_3 Q^3 + u.$ What are the theoretical restrictions on the parameters of average and marginal cost curves ?

31. State and explain the assumptions of OLS estimators.

(8 × 2 = 16 weightage)

Part D

Answer any **three** *questions.*
Each question carries a weightage of 4.

32. How will you remedy multicollinearity ?

33. How will you express OLS estimation of parameters using matrix notation in k-variable regression ?

34. From the following data set relating to Consumption demand, Q and price, P estimate the price elasticity of demand on the demand function, $\log Q = \beta_0 + \beta_1 \log P + u$ and interpret the result.

Log Q	2.48	2.64	2.71	2.89	2.89	3.04	3.09	3.18	3.30	3.37
Log P	3.22	3.09	3.04	2.89	2.89	2.83	2.71	2.30	2.20	1.61

35. Explain briefly how you will conduct an econometric study following classical econometric methodology.

36. Examine the general tests used to detect autocorrelation.

(3 × 4 = 12 weightage)