FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

Development Economics

DEC 5B 09—DEVELOPMENT ECONOMICS—I

(2019 Admissions)

Time : Two Hours and a Half   Maximum : 80 Marks

Section A (Short Answer Questions)

*Answer at least **ten** questions.*
Each question carries 3 marks.
All questions can be attended.
Overall Ceiling 30.

1. Warranted and natural growth rate.

2. Growth and development.

3. Vicious circle of poverty.

4. Incremental capital output ratio.

5. Disguised unemployment.

6. Population explosion.

7. Organic composition of capital.

8. Commercialization point.

9. Technological dualism.

10. Seers model.

11. Missing women.

12. Development gap.

13. Agricultural surplus.

14. PQLI.

15. Dependency theory.

(10 × 3 = 30 marks)

Turn over

Section B (Short Essay/Paragraph Questions)

Answer at least **five** *questions.*
Each question carries 6 marks.
All questions can be attended.
Overall Ceiling 30.

16. Explain the Marxian theory of development.

17. Discuss Prebisch-Singer model.

18. Explain three core values of development.

19. Examine Amartya Sen's capability approach.

20. What are the important assumptions of Fei-Ranis model of economic growth ?

21. Describe the significance of export led growth strategy of development.

22. Explain duel economy model of Jorgenson.

23. Prepare a note on theory of unequal exchange.

(5 × 6 = 30 marks)

Section C (Long Essay Questions)

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

24. Examine how the Lewis' theory of unlimited supply of labour can be used for the development of an overpopulated country.

25. Explain the Harrod - Domar Model and its implications.

26. What are the development indicators ? Examine their limitations.

27. Explain cumulative causation. Discuss circular and cumulative causation in the field of regional development.

(2 × 10 = 20 marks)

D 10350   (Pages : 4)   Name...

                                                            Reg. No.....................................

FIFTH SEMESTER B.A./B.Sc. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

Development Economics

DEC 5B 10—BASIC ECONOMETRICS

Time : Three Hours   Maximum : 80 Marks

Part A

Answer **all** *questions.*
Each question carries ½ mark.

1. Identify an assumption of Classical Linear Regression Model :

    A. Linear in the parameters.

    B. Linear in both the parameters and variables.

    C. May or may not be linear in the parameters.

    D. May or may not be linear in the variables.

2. In an econometric model, $Y = \alpha + \beta X$, α shows :

    A. Intercept.   B. Slope.

    C. Lag.   D. Error.

3. A variable whose outcome is uncertain is called :

    A. Proxy variable.   B. Dummy variable.

    C. Predictor variable.   D. Random variable.

4. If the mean value of the estimate is the same as its true value, the property is known as :

    A. Linearity.   B. Unbiasedness.

    C. Consistency.   D. Efficiency.

5. The variance of the error term, given the explanatory variables, is not constant, it is known as :

    A. Auto correlation.   B. Homoskedasticity.

    C. Heteroskedasticity.   D. Multicolleniarity.

                                                            Turn over

6. The probability of not committing a Type II error is called :

    A.   Size of the test.   B.   Power of the test.

    C.   Level of significance.   D.   Probability value.

7. The coefficient of determination is a/an :

    A.   Econometric test.   B.   Second order test.

    C.   Priori test.   D.   First order test.

8. In Multiple Regression analysis, the number of observations minus the number of estimated parameters is known as :

    A.   Dependent variable.   B.   Continuous random variable.

    C.   Differences in slope.   D.   Degrees of freedom.

9. When $\alpha + \beta = 1$ then Cobb- Douglas production function exhibits :

    A.   Decreasing return to scale.   B.   Increasing return to scale.

    C.   Constant return to scale.   D.   None of these.

10. Independent variable is also called :

    A.   Explained variable.   B.   Explanatory variable.

    C.   Regrasand.   D.   All the above.

11. The normality assumption in OLS regression is justified by :

    A.   Gauss Markov theorem.   B.   Taylor's theorem.

    C.   Central limit theorem.   D.   Kruskal's theorem.

12. Factor analysis is a remedial measure for :

    A.   Autocorrelation.   B.   Multicollinearity.

    C.   Heteroscedasticity.   D.   Normality.

$(12 \times \frac{1}{2} = 6 \text{ marks})$

Part B

*Answer any **ten** questions.*
Each question carries 2 marks.

13. What is a sample regression function ?

14. What do you mean by a null hypothesis ?

15. Define point estimate.

16. What is meant by bias in regression ?

17. Interpret the coefficients of linear regression model : $y_i = \alpha + \beta x_i + u_i$.

18. What are the different steps involved in econometric analysis?

19. Explain goodness of fit.

20. Define Parameter.

21. What is meant by linearity in OLS regression ?

22. Define total sum of squares.

23. Prepare a note on F test in a regression model.

24. What do you mean by linear homogeneous production function ?

(10 × 2 = 20 marks)

Part C

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

25. Explain the causes for multicollinearity

26. Interpret the regression results :

    Demand = 0.345 − 0.725 Price

    (0.780)   (0.121)

    Number of observations = 55   R square = 0.756

    Standard errors are given in brackets.

27. Describe the rejection rule with the help of a diagram.

28. What is Multiple Linear Regression ?

29. Distinguish between auto correlation and serial correlation.

30. What is the significance of error term in regression ?

31. What are the important steps to calculate standard error of a given set of numbers ?

32. Explain analysis of variance in regression.

(6 × 5 = 30 marks)

Turn over

Part D

Answer any **two** *questions.*

Each question carries 12 *marks.*

33. Explain the meaning, nature and scope of econometrics.

34. *The Gauss-Markov theorem states that OLS is BLUE*. Prove this statement.

35. Explain the reasons for the occurrence of Heteroskedasticity.

36. State and prove the properties of Cobb-Douglas production function. Point out its major limitations.

(2 × 12 = 24 **marks**)