

ARUNACHAL PRADESH PUBLIC SERVICE COMMISSION

ECONOMICS: PAPER - II

Time: 3 (Three) hours

Full marks 100

(Group - A is compulsory. Attempt any FOUR Questions from Group - B).

GROUP - A

(This Group is COMPULSORY)

Q 1. Attempt any 10 (ten)

10x2=20

1. What is Schumpeterian invention- innovation-diffusion-trilogy?
2. How does Tragedy of Commons arise?
3. Write down a few characteristics of Indian industrial policy of 1956.
4. What is the meaning of autocorrelation?
5. Specify the components of the Physical Quality of Life Index (PQLI).
6. Compare the productivity of Jhum and permanent cultivation.
7. Distinguish between marketable and marketed surplus.
8. Write down the relationship between gross and net reproductive rate.
9. What is dummy variable trap?
10. What is the marginal cost pricing of public utilities?
11. What is regional input-output analysis?
12. What do you understand by Gender Budgetting?

GROUP - B

(Answer any Four.)

Q 2. Attempt any 8 (eight)

8x2.5=20

1. Distinguish between Harrod's warranted and natural growth rates.
2. How does the policy prescription emanating from Coase theorem operate?

3. Why is the Tax-GDP-Ratio in India not increasing significantly?
4. What is the rank of a matrix?
5. Identify the factors creating low-level equilibrium trap.
6. Identify a few characteristics of urbanization in North-East India.
7. What is the relationship between firm size and productivity in India?
8. How does Lee explain migration?
9. What is heteroscedasticity?
10. What is the relationship between poverty and malnutrition?

Q 3. Attempt any 5 (five)

5x4=20

Write short notes on any five of the following:

1. What are the components of human capital?
2. Distinguish between use-value and non-use-value of environment.
3. What are the arguments for disinvestment of public sector units?
4. Construct a 95% confidence interval for β , given $y = \alpha + \beta x + u$, and estimation technique used being OLS.
5. Distinguish between open and closed input-output models.
6. Why is land reform necessary in Arunachal Pradesh?
7. How is farm efficiency measured?

Q 4. Attempt any 4 (four)

4x5=20

1. Show that in Joan Robinson's Model the economic growth is a function of rate of profit.
2. Discuss the concept of sustainable development.
3. What are the functions of Finance Commission in India?
4. Show that OLS estimators are best linear unbiased estimators.
5. Provide few characteristics of the rent-seeking society as modeled by Krueger.

Q.5. Attempt any 2(two)

2x10=20

1. Describe the main features of Arrow's learning -by-doing model.
2. How is contingent valuation method used to make a valuation of environmental resources?
3. Discuss the main structural reforms undertaken in India since 1991.

Q6. Attempt any4 (four)

4x5=20

1. Identify the effects of errors in independent variables.
2. What are Kuznets' characteristics of modern economic growth?
3. What are the factors inhibiting the growth of industries in North East India?
4. Identify the characteristics of Chayanov firm-household Model.
5. Why is the birth rate in India still high?

Q 7. Attempt any 2 (two)

2x10=20

1. What is cumulative causation? How does Myrdal use it to explain underdevelopment?
2. Argue for and against the opening of North-East economy.
3. Describe Bhaduri's explanation of stagnation in Indian agriculture.

Q 8. In the General linear Model $Y = X\beta + U$, Y is $n \times 1$, X is $n \times k$, β is $k \times 1$ and U is $n \times 1$.

What are the assumptions required to be made about U in order for OLS to be applied?

Show that

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$$\sum_{i=1}^n \frac{e_i^2}{n-k} \text{ is the unbiased estimator of } U.$$

Q 9. What are the recent trends in prices in India? Identify the factors shaping the price movements in the country. Suggest some measures for price stability in India. **20**

Q 10. Why is cost- benefit analysis necessary for projects especially in developing countries? Discuss the Little-Mirrlees approach to cost-benefit analysis. **20**

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