**Punjab University**

**M.A. (Economics)**

**Development Economics Theory & Policy**

**2009**

***Allowed Time: 3 hours                                  Maximum Marks: 100***

*Note: Attempt any four questions. All questions carry equal marks. Prove your answers wit evidence.*

1. (a) Describe importance and scope of Economic Development and Growth.

(b) What is the difference between Classical and Neo-Classical theories of Economic Growth?

(c) Describe the significance of Kuznet’s inverted U-hypothesis.

2. (a) Explain Adam Smith model of Economic Growth.

(b) Is it necessary that LDCs go through the stages of economic growth as measured by Rostow. Discuss.

(c) Which stage plays pivotal role in Economic Development and why?

3. (a) Explain and critically evaluation Kaldor-Mirrless Model of Development Economics.

(b) In light of (a) above explain how it has challenge for Orthodox Economist thinking.

(c) Discuss income convergence hypothesis with empirical evidence.

4. (a) Explain difference stages of Product Cycle.

(b) Discuss the role of WTO for the development of Less Developed Countries.

(c) Discuss the role of GATT for the development of LDCs and also write cause of  its failure.

5. (a) What is meant by FDI and what are its determinants?

(b) Enumerate why FDI towards TNCs is necessary for Economic Growth and Economic Development.

(c) Why do FDI occur in LDCs?

6. (a) What is the difference between Static and Dynamic Trade.  Explain with diagram.

(b) In light of (a) above, explain how it provides benefit for developing countries?

7. Write short note on any two of the following:

(a) Environment and Economic Activity

(b) Structural Transformation

(c) Harrod-Domar Model

(d) Natural Resources.