

Indian Institute of Technology Kharagpur

Date: _____ FN/AN

Time: 2 hrs

Full Marks: 30

No of Students: 68

Spring Mid-Sem Exam, 2023

Dept.: HSS

Subject: Development Economics (EM21206/ HS21206)

Instruction: Answer one question in one place only

1. a) What do you mean by economic development? How is Development Economics as a discipline different from Development Studies? Elaborate on how development occurs by reducing poverty, inequality, and unemployment within a growing economy. Is it happening in the process of economic development in India? Discuss. 1 + 1 + 2 + 2
- b) Critically appraise the fundamental weaknesses of Lewis' two-sector model of development. Discuss the different stages of Rostow's model of economic development. 2 + 3
- c) Do you agree with the statement that 'People are the real wealth of nations and development is thus about expanding the choices people have to lead lives that they value'? Justify your answer. 2
2. a) Discuss the colonization policies which created 'Extractive States' and 'Neo-Europes'. Discuss the role of economic mechanisms that lead to the institutional persistence even after the end of the colonial regime. 2 + 3
- b) In the context of poverty, compare Human Poverty Indices (HPI-1 & HPI-2) with Multidimensional Poverty Index. Why is the value of α often considered 3 in HPI-1 and HPI-2? 3 + 1
- c) Describe the two primary resource flows that link the agricultural and industrial sectors. Consider a family farm that is in the surplus labor phase. Now suppose that some members migrate to work elsewhere. Describe what happens to the average farm income of the family farm. 2 + 2
- d) Distinguish between formal and informal sectors. Explain why labor might receive better treatment (in pay or conditions of work) in the formal sector. 3 + 1
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