

P.G. 1st Semester - 2016**ECONOMICS**

[Old Syllabus]

Paper : 105

Full Marks : 40

Time : 2 Hours

*The figures in the right-hand margin indicate marks.**Candidates are required to give their answers in their own words as far as practicable.*Answer any **four** of the following questions. 10×4=40

1. Show that in a Harris-Todaro (HT) economy a direct policy of curing urban unemployment by employing more people in the urban sector may accentuate the unemployment problem. Compare the Lewis model (1954) and Harris-Todaro model (1970) of rural-urban interaction. 7+3
2. Why do rural credit markets tend to be fragmented? What is credit rationing? Show that informational asymmetries between moneylender and potential borrowers can be an explanation of credit rationing in the rural credit markets. 2+1+7
3. Distinguish between temporary poverty and chronic poverty. Explain Sen's Index of poverty. 3+7

4. How would you compare the relative inequality of two income distributions? Analyse Gini coefficient as measure of inequality in distribution. 5+5
5. Distinguish between individual liability and joint liability credit contracts. Explain how the group lending under joint liability credit contract overcomes the information and enforcement problems. 3+7
6. Write notes on:
 - i) FGT Index
 - ii) Marshallian inefficiency 5+5

[Turn Over]

175/Eco.

[2]