

IEcoS General Economics Paper 2 Papers 2005

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Section-I

1. Answer the following questions

- i. Distinguish between Physical Quality of Life Index (PQLI) and Human Development Index (HDI).
- ii. State the conditions for 'Take-off.'
- iii. Define immiserising growth.
- iv. What are exchange controls?
- v. What are 'Singapore Issues' under W T O Negotiations?
- vi. Can money multiplier be manipulated?
- vii. Define Chi-square distribution. $5 \times 7 = 35$

Section-II

Candidates should answer any FIVE parts from the following

1. Answer the following questions

- i. Explain Kuznets'inverted u hypothesis and comment on the relationship between inequality and growth.
- ii. Examine the need for a Critical Minimum Effort to initiate the process of growth in a low income economy.
- iii. How would you account for the secular deterioration in the terms of trade of developing economies?
- iv. Explain how according to the classical theory correction in the balance of payments disequilibrium is automatic.
- v. Explain how globalization is expected to contribute to global convergence.
- vi. Distinguish between capital account convertibility and current account convertibility.

- vii. Define Pearson's coefficient of correlation. Interpret the result when $r = 1, 1$ or 0 ($5 \times 15 = 75$)

Section-III

Answer any THREE of the following

1. Explain why balanced and unbalanced growth approaches are regarded as two policies to address a common goal. 30
2. A country's exports use a country's abundant factor intensively (Heckscher Ohlim). Elucidate. 30
3. Discuss the relative merits of fixed and flexible exchange rates to achieve internal and external balance. 30
4. Examine Milton Friedman's restatement of the quantity theory of money. 30
5. Define time-series analysis. Discuss the use of time-series and cross-sectional studies in economic analysis. 30

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