

31 JUL 2025

NATIONAL LAW UNIVERSITY, JODHPUR

End Term Examination May – 2025

Semester: UG VI

Subject: Economics III (Theories of Development and Indian Economy)

Time: Three Hours

Marks: 100

Instructions:

1. Attempt any FIVE Questions.
2. Non-scientific calculators are allowed
3. All questions carry equal marks

Q.1) a) In February 2023, an article appeared in Responsible Statecraft with the eye-catching title: "Ukraine War is great for the portfolio, as defense stocks enjoy a successful year". Also, the price of leading U.S. weapons manufacturers have exhibited remarkable growth following Russia's invasion. The above would indicate that generally wars are good as they stimulate economies and increase GDP. But there are many 'unseen effects' of these destructive activities. Describe the far-reaching effects of war like destructions and its impact on capabilities to function?

b) Genuine Progress Index (GPI) is designed to consider the "total well-being of people" and to challenge "the hegemony of GNP", comment.

(Marks 10+10 =20)

Q.2.) History shows that most of the developing countries have to choose one path of development, either 'Development via Excess Capacity' or 'Development via Shortages'. Which according to you is the better path for sustainable economic development and why? Discuss the path that Indian economy selected from 2nd to 7th five-year plans.

(Marks 10+10 = 20)

Q.3) The table below provides the incomes per day for the 6 individuals comprising the population in countries A and B. Assume that the poverty lines are Rs. 120 per capita per day in both countries.

Income individuals	1	2	3	4	5	6
Country A	100	200	100	110	150	200
Country B	90	100	150	100	150	200

Calculate and compare the Head Count ratio and Poverty Gap Index in both countries. In what ways Multidimensional poverty index of India is better than the above-mentioned method of poverty calculation?

(Marks 8+12 = 20)



- Q.4) a) Discuss the threats of the Anthropocene epoch and their impact on human capabilities.
b) How would you explain demographic transition of India since Independence?

(Marks 10+10 =20)

Q.5) a) Why Genetically Modified Seeds are called 'Seeds of Death'.

b) The sectoral growth rates in India appears to have leapfrogged from primary to tertiary sector. Why the industrial sector has not experienced the same sustained high-level growth and dynamism that the service sector has experienced?

(Marks 8+12=20)

Q.6) Write short notes on any two the following:

- a) Progresa – An innovative targeting
- b) Hausmann-Rodrik-Velasco growth diagnostics and India's binding constraints
- c) Gender Inequality Index
- d) The return of Lauderdale Paradox

(Marks 10+10=20)

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Q.1) a) Planetary Pressure Adjusted Human Development Index (PHDI) is a better index than Human Development Index (HDI) in this human dominated epoch, comment. India's HDI is 0.645 with an average per capita CO₂ emission (production) and material footprints of 2.0 tonnes and 4.6 tonnes, respectively. For carbon dioxide emissions per capita the maximum value is 76.61 tonnes. For material footprint per capita the maximum value is 140.82. Calculate PHDI for India.

b) How would you differentiate between 'Happy' and 'Not-Yet-Happy' people in Gross National Happiness Index and explain Nordic exceptionalism in this context?

(Marks 10+10=20)

Q.2) a) Official Chinese statistics place the number of internal migrants (rural-urban) over the past 20 years at over 10% of the population. Urban (pre-dominantly manufacturing sector) wages are around 3.5 times those of rural areas. Use a properly labelled labour supply-and-demand diagram in the manufacturing (modern) sector to illustrate and briefly explain:

- (i) why the labour supply curve is horizontal at when the number of workers hired in the manufacturing sector is less than the surplus labour in the agricultural sector?
- (ii) how the profit in the manufacturing sector is being maximized and distributed between the employers and the workers?

b) Explain the reasons of using Kondratieff waves for showing economic growth in an economy.

(Marks 10+10=20)

Q.3) a) Construct Lorenz Curve from the following data and explain the extent of inequality of income in country A and B:

Income	60	80	100	120	140
Number of persons in country A	20	15	20	25	20
Number of persons in country B	150	100	90	110	50

b) 'The way to equalize personal distribution of income goes through functional distribution of income only when policy makers try to remove distortions in the factor market', comment.

(Marks 10+10=20)

Q.4) Briefly discuss the journey of Indian agricultural sector from the economic planning period to NITI Aayog. Despite the technological progress and modernization in this sector food insecurity and vulnerability of farmers are increasing in India. Will corporatization of agriculture solve this problem or further aggravate, explain with example?

(Marks 20)

Q.5) Discuss the contours of industrial sector growth in India since Independence till date. India needs to work on reducing stagnancy of output and employment, especially in manufacturing sector, to get maximum benefits of demographic dividend, illustrate.

(Marks 20)

Q.6) Write short notes on any two of the following:

- a) A Multiple Equilibria Model of child labour
- b) Microeconomics of fertility decisions and population control
- c) Twin Balance Sheet Syndrome
- d) Knife edge of Harrod-Domar Model

(Marks 10+10 = 20)