UPES

UNIVERSITY OF PETROLEUM AND ENERGY STUDIES
End Semester Examination, May 2018
Programme: BA PPA   Semester –IV
Course Name: Developmental Theory   Max. Marks   : 100
Course Code: BAPP 221   Duration   : 3 Hrs

No. of page/s: 3

Section A: In this section all questions are compulsory.   2x10

1. If GDPs of India and China were to increase by 30%, the bilateral trade turnover will increase by what percentage, as per the gravity model…………………………

2. A strategy which is optimal no matter what an opponent does, is known as………………………

3. Inter-generational equity refers to……………………………………………………………………………

4. Name two characteristics of Public goods…………………………………………………..

5. Name four GHGs……………………………………………………………………….

6. Share of industry in India's GDP……………………………………………………..

7. FDI flows into India during the period April-December 2017………………………………………..

8. Pigovian Tax refers to……………………………………………………………………

9. Present discounted value of a perpetuity paying out Rs 1,000 per year, forever, with an interest rate of 8% per annum……………………………………………………….

10. Risk Premium refers to……………………………………………………………..

Section B-Short type questions. Answer any FOUR.   5M * 4Q = 20 M

1. In the context of environmental economics explain the terms 'common property goods' and the 'tragedy of commons'.

2. What are various command & control instruments available to the Government to limit environmental damage

3. Evaluate MNCs contribution in economic development along with various criticism levelled against them

4. Explain the role of PPP in addressing India's infrastructural deficit

5. The Multidimensional Poverty Index (MPI) measures a range of important household deprivations faced by the very poor. Explain how MPI is different from HDI.

6. What are typical features of developing countries? Why rent-seeking harms the poor most?

Section C-Descriptive type questions   15M x 2Q = 30M

Answer any TWO

1. Briefly explain Kremer's O-Ring Theory of economic development and important insights it provides. Why high- skill workers tend to specialize in more complex products?

2. What is meant by social cost-benefit analysis and how is it different from an investment decision of a private investor? Explain why DELHI METRO meets the criterion of a project with large social benefit.

3. Despite high economic growth since 1991 why India has failed to provide satisfactorily primary healthcare and education? What measures are needed to rectify the grossly inadequate situation?

Section D-Analytical type Questions. Answer any TWO   **15Mx2Q =30M**

1. What has been main contribution of agriculture in Indian economy? Elaborate main challenges facing this sector.

2. Two competing firms are each planning to launch a new product. Each will decide whether to produce Product A, Product B, or Product C. They will make their choices at the same time. The resulting payoff matrix is given below

Firm 2			
Firm 1	A	B	C
A	-10, -10	0, 10	10, 20
B	10, 0	-20, -20	-5, 15
C	20, 10	15, -5	-30, -30

   a) What are Nash equilibria in above scenario?
   b) If both firms use maximin strategies, what outcome will result?
   c) If Firm 1 uses a maximin strategy and Firm 2 knows this, what will Firm 2 do?

3. Successful economic development rests on vibrant private sector, efficient public sector and vigorous citizen sector ---- Elaborate your response.