

## PPSC Economics Chapter 8 Development Economics

Sr	Questions	Answers Choice
1	Hirschman along with other ebonists consider that for economic development.	A. Balance growth is necessary B. Unbalance growth is necessary C. Big push in investment is necessary D. Industrial development is necessary
2	According to solo growth model capital and labor are.	A. Not substitution of each other B. Substation of each other C. Substation in a way D. All of these
3	in UDCs a potential resource of saving is	A. Structural unemployment B. Over employment C. Domestic saving D. Disguised unemployment
4	The concept of unbaled growth and balance growth are.	A. Unlimited value B. Single value C. Limited value D. Short value
5	Which of the following is not viewed by the text as a major political obstacle to development.	A. Growth oriented polices may damage the short term interest of influential groups B. Civil war C. Corruption D. Departing from strict laissez faire principles
6	The natural rate of unemployment is generally thought of as the	A. Ratio of the frictional unemployment rate to the cyclical unemployment rate. B. Sum of fictional unemployment and cyclical unemployment. C. Sum of frictional unemployment and structural unemployment. D. sum of structural unemployment and cyclical unemployment.
7	According to the balances growth theory	A. UDCs can be developed by foreign aid B. UDCs can be developed by national saving C. UDCs have to start from beginning D. DCS are responsible for the development of UDCs
8	In the Harrod - Domar equation $g = s/v$ , v is defined as.	A. the value of the country a capital stock B. The ratio of the country's capital stock to its output. C. The change in the country's capital stock D. None of the above
9	The fall in the birth ratio will affect the process of economic growth according to	A. Schumpeter B. A.H.Nansen C. Karl Marix D. M.P. Todaro
10	An Invention is set to be neutral when it raises the marginal productivities of labor and capital in the same proportion is said by	A. Rostow B. Todoro C. Solow D. Haicks
11	If for the output of worth 1 million the stock of capital worth 4 million is required this will be.	A. capital profit ratio B. Output profit ration C. Capital output ratio D. Capital input ratio
12	According to Keynes the exogenous factors like technology increase in population and discovery of new markets are the reasons. of.	A. Underemployment B. Structural dualism C. Low capital formation D. Secular stagnation

13	The Lorenz curve is used to show relative in equality in the distribution of.	A. Wages B. Income C. Wealth D. Profit
14	the relation of productivity and income is discussed by Nurkse in.	A. Vicious circle of poverty B. balance growth theory C. Unbalance growth theory D. Big push theory
15	Economic development can be achieved through stages, is the theory of.	A. Rosenstein Rodan B. Leibenstein C. W.W. Rostow D. M.P. Todaro
16	The concept of carbon credit originated from which one of the following.	A. Earth summit rio de janeiro B. Kyoto protocol C. Montreal protocol D. G-8 summit Helligendamm
17	Rule of innovation in economic growth is very important according to.	A. Adam Smith B. Richardo C. Schumpeter D. Rostow
18	In Kaldor model saving income ratio in the growth process is considered.	A. Constant B. Positive C. Variable D. Negative
19	Economic development in UDCs is not possible without.	A. Foreign aid B. Capital formation C. Natural resources D. Domestic saving
20	According to the .A.H Hasen the capitalistic economy is basically characterized with	A. Instability B. Stability C. Inefficiency D. Efficiency
21	In developing countries the co existence of modern and traditional method of production in urban and rural sector is called.	A. Dualism B. Under employment C. Under estimation of resources D. None of these
22	Economic growth rate of a country is determined by the	A. Capital formation rate B. Employment rate C. Saving rate D. Investment rate
23	The Harrod -Domar models are based on the restrictive assumption of.	A. Increasing saving income ratio B. Decreasing saving income ratio C. Low saving income ratio D. Constant saving income ratio
24	Following is the major source for a country to meet the deficiency of capital	A. Domestic saving B. Foreign aid C. Domestic borrowing D. All of these
25	The main assumption of Kaldor model is that the economy operates at the level of .	A. Full employment B. Above than full employment C. Less than full employment D. None of above
26	The Schumpeterian growth model is based upon	A. Investors B. Capital formation C. entrepreneurs D. all of these
27	The measure used to examine the distribution of wealth at the world level is.	A. Gini coefficient B. Lorenz curve C. Philips curve D. None of these
28	What explains Solow's surprise.	A. Diminishing returns to capital B. Insufficient assistance to developing countries C. Weak institutions D. low labor productivity
29	Which of the following is not an element of the redistribution with growth policy approach.	A. Minimum wage legislation B. Land reform C. Progressive taxation D. Increased access to education
		A. Balance growth according to its advantages

30	Due to indivisibilities in demand and infrastructure economic development can be achieved.	advocates B. Unbalanced growth according to its advocates C. Big push D. None of these
31	Theories of surplus labor describe that	A. In UDCs unemployment rate is high B. The margin productivity labor is near to zero C. Overpopulation is much more in UDCs D. DCs have less unemployment
32	For the economic growth of country following is required.	A. Capital formation B. Human resources C. Natural resources D. All of these
33	Small size of market is the primary cause of under development according to.	A. Balance growth theory B. Unbalance growth theory. C. Big push theory D. Dualistic theories
34	Unlimited supply of labor means in developing countries that part of man power which even if is withdrawn from the process of production there will be no fallen output is the theory of.	A. Fei Ran B. M.P.P. Todaro C. Lewis D. Leibenstein
35	According to M.P Todaro model of rural-urban migration the migration is assumed to be a.	A. Social phenomenon B. Cultural phenomenon C. Uneconomic phenomenon D. Economic phenomenon
36	The developing countries need to have a big push or big comprehensive package for economic development is the view of.	A. Nurkse B. M.P Todaro C. Rosenstein Rodan D. Leibenstein
37	Which of the following could be a reason for the problem of lack of jobs being overestimated.	A. the existence of disguised unemployment B. People are underemployment C. People holding only one job D. The existence of child labour
38	Which of the following is NOT characteristics of underdeveloped nations.	A. Low per capita income B. Low growth rate of GNP C. General needs for substantive investment in the infrastructure D. Low population growth rates
39	The Human Development index is based on.	A. Income per capita human capita economic vulnerability B. Income per capita, life expectancy education C. Income per capita child mortality rates education. D. Income per capita life expectancy economic vulnerability
40	Historically countries at early stages of rapid economic development have tended to experience.	A. Trade deficits and an excess of investment over domestic saving. B. Trade surpluses and an excess of investment over domestic saving C. Trade deficits and an increase of domestic saving over investment. D. Trade surpluses and an excess of domestic saving over investment.
41	More trade and more and is the demand made by the	A. Developing countries B. Developed countries C. More developed countries D. Non developing countries
42	The hidden momentum of population growth is caused by	A. the demographic transition B. Population age structure C. the opportunity cost of woman's time D. Children contribution to income
43	The economic growth model of Ricardo based on.	A. Capital formation B. Diminishing return C. Capital output ratio D. None of these
44	The conjecture that inequality first increases with development then decreases with further	A. Strongly supported by most studies B. Supported mainly by cross section not time series studies.

→→	development has been	C. Supported mainly by time series not cross section studies D. Generally repudiated by empirical studies.
45	A circular constellation of force tending to act and react upon each other in such away to keep a poor country in a state of poverty is termed as.	A. Vicious circle of poverty B. Low capital formation C. Low development D. disguised unemployment
46	Adam smith includes in the model of economic growth following factors of production.	A. Labor only B. Capital only C. Labor and capital D. Labor capital and land
47	W.W. Rostow considered that the economic development period consist of.	A. Two stages B. Three stages C. Four stages D. Five stages
48	What characteristics is likely to increase population growth.	A. Family planning programs B. Old age social security C. Lack of women's empowerment D. Rapid economic growth
49	All the UDCs of the world are homogeneous in broad sense and.	A. Heterogeneous in narrow sense B. Homogenous in narrow sense also C. Homogenous in human resources D. Homogenous in natural resources
50	According to Nurkse a balance growth is necessary to.	A. Develop resources B. Develop capital C. Break vicious circle of poverty D. Develop infrastructure.
51	R.M. Solow in his model assumes that the prices and wages are.	A. Flexible B. Non flexible C. Rigid D. None of these
52	The theory of Ruler -urban migration presented by.	A. W.W. Roslow B. M.P.Todaro C. Simon Kuznets D. Nurkse
53	The largest lenders to less developed countries are	A. Western government B. Multi lateral agencies C. Private banks D. Invidia investors who purchase government bonds
54	Division of labor is made according to the size of market is the view of	A. M.P.Todaro B. Leibstein C. Rostow D. Adam smith
55	One of the following is not a necessary characteristics of UDCs	A. Low saving ratio B. Low capital formation C. Disguised unemployment D. Insufficient human resources.