

MASTER OF ARTS EXAMINATION, 2017

(2<sup>nd</sup> Year, 3<sup>rd</sup> Semester)

ECONOMICS

DEVELOPMENT ECONOMICS -1

Group -A

Answer any three questions:

3 X 8 = 24

1. Explain the differences between 'Randomized Evaluation', 'Natural Experiment' and 'Quasi-Experiment' methods during the time of impact evaluation of any intervention. Why First Differenced Method is better than Difference-in-Difference method during the time of 'impact evaluation' of any public policy? 3 + 5 = 8
2. Explain the importance of 'social capital' and possibility of 'positive assortative matching' in group lending micro-finance system where groups are formed through 'self selection' mechanism'. 3 + 5 = 8
3. Explain the importance of collateral in rural informal credit market. 8
4. Why informal workers of the underdeveloped countries are not willing to work at low wage rate for getting immediate employment? 8
5. Explain possible causes of the existence of child labour in the underdeveloped economies? What will happen in the labour market if child labour is banned? 2 + 6 = 8

Group -B

Answer any one question:

1 X 6 = 6

6. Critically explain 'Easterlin' paradox.
7. Show that 'happiness' of an individual can be influenced by his/her 'Social capital'.
8. Consider an economy where we observe co-existence of both 'high-risk' and 'low-risk' individuals. Now explain why an insurance company will always be willing to bind only the 'low-risk' individuals into an insurance contract?