

Group – BAnswer *any two* questions :

8×2=16

4. Derive the situation in which a rational individual cannot participate in any health insurance contract. Explain the importance of Micro-Health insurance in this background. What will be the optimum health-insurance contract for an aged individual? 2+2+4=8
5. Why imperfection in the informal credit market is observed in an underdeveloped economy? How can this imperfection be minimized? Explain it logically. 3+5=8
6. Explain the importance of subsidy in education and/or availability of the student's credit card at low interest to enhance the supply of formal skilled labourer in an under developed economy. 8

MASTER OF ARTS EXAMINATION, 2024

(1st Year, 1st Semester)

ECONOMICS**[DEVELOPMENT ECONOMICS]**

Time : Two Hours

Full Marks : 30

Group – AAnswer *any two* questions :

7×2=14

1. Critically explain the Impact evaluation method based on a Randomized Control Trial (RCT). In which situation a Quasi-Experiment is a better method than RCT in an impact evaluation technique? Why in any Quasi-Experiment, First the Difference Method is better than the simple Difference-in-Difference method? 2+2+3=7
2. Explain the importance of 'Social Capital' during the formation of Self-help Group. Why 'positive assortative matching' is observed during the time of formation of the Self-Help Group through the 'self-selection' mechanism? 3+4=7
3. Explain the difference between neo-classical type production function and production function based on the instantaneous Consumption efficiency argument. Explain a suitable policy at which we observe zero involuntary unemployment in the second situation. 3+4=7

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