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Name:

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester MA Economics Degree Examination, November 2023

MEC3C09 – International Trade

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

Part A: Answer all questions. Each carries $\frac{1}{5}$ weightage

1. The Leontief paradox originates from the study of United States's
A. Exports and import data B. Export data and data on import substitute data
C. Manufacturing sector data D. Import data only
2. The alleged deterioration of terms of trade was explored by
A. J Bhagawati B. Hans Singer C. Raul Prebisch D. All of them
3. Reymond Vernon is related to
A. Product cycle theory B. Factor intensity reversal
C. Technological gap theory D. Factor price equalization
4. If the cost of transporting a good between two countries exceeds the pre-trade price difference for the good between two countries, then the trade in that good
A. Possible B. Impossible C. Reversed D. Cannot say
5. The argument that opening a country to the world market gives an opportunity to utilise the unemployed and under employed resources
A. Comparative advantage theory B. Heckscher Ohlin Theory
C. Vent for Surplus theory D. Strategic trade theory
6. For Heckscher Ohlin, the most important cause of the difference in relative prices of commodities and trade between countries is the difference in
A. Technology B. Demand condition C. Factor endowments D. Tastes
7. Growth of factor leads to absolute expansion in the output of product using accumulating factor is explained by
A. R Nurkse B. Rybczynski C. Metzler D. Haberler
8. Tariff which is non-discriminatory in nature is is
A. Single column tariff B. Double column tariff
C. Multi column tariff D. None of the above

9. If a country's currency appreciates its terms of trade will
 A. Improve B. Deteriorate C. No effect D. All things of the above is possible
10. The production possibility curve under increasing opportunity costs is
 A. Concave to the origin B. Convex to the origin
 C. A straight line parallel to x axis D. A straight line parallel to y axis
11. In a world with two goods, X and Y and full employment of factors, a rise in the price of X will lead to
 A. An increase in the real reward of the factor used intensively in the production of X
 B. An decrease in the real reward of the factor used less intensively in the production of Y
 C. An increase in the real reward of the factor used less intensively in the production of X
 D. An increase in the real reward of the factor used intensively in the production of Y
12. Normally offer curve will bulge towards the axis that measures
 A. Import commodity B. Export commodity C. Import substitutes D. None of the above
13. Most comprehensive form of economic integration is
 A. Free trade area B. Common market C. Customs union D. Economic union
14. The concept of trade creation and diversion of customs union was popularized by
 A. J S Meade B. S Linder C. Jacob Viner D. Raul Prebisch
15. Which among the following will lead to intra industry trade
 A. Product differentiation B. Economies of scale
 C. Similar factor endowments D. All of the above

($15 \times \frac{1}{5} = 3$ weightage)

Part B: Answer any five questions. Each carries one weightage

16. What is meant by dumping
17. Explain factor intensity reversal
18. Elaborate factor abundance
19. What is reciprocal demand curve
20. Explain Metzler paradox
21. What is meant by "missing trade"
22. Explain Dutch disease
23. State Myrdal's views on trade

($5 \times 1 = 5$ weightage)

Part C: Answer any *seven* questions. Each carries *two* weightage

24. Write a note on Leamer's & Treflers theory of International Trade.
25. Explain availability doctrine
26. What is foreign trade multiplier
27. Explain significance of intra industry trade
28. Write a note on European monetary integration
29. Explain types of terms of trade
30. Elaborate new protectionism
31. Elaborate product cycle theory
32. What are effects of import quotas
33. What is meant by effective rate of protection

(7×2 = 14 weightage)

Part D: Answer any *two* questions. Each carries *four* weightage

34. Critically examine theory of immiserising growth
35. Explain partial equilibrium effects of tariff
36. Elaborate contribution of international trade to economic development
37. Explain static and dynamic effects of customs union

(2 × 4 = 8 weightage)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester MA Economics Degree Examination, November 2023

MEC3C10 - Economics for Growth and Development

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

PART A (Multiple Choice Questions)**Answer all questions. Each question carries a weightage of 1/5**

1. The core values of development are
 - a) Subsistence, self esteem and capability b) Sustenance, self esteem and freedom
 - c) Sustenance, capability and freedom d) subsistence, freedom and self esteem
2. The value of Gini coefficient varies from
 - a) $1 - \infty$ b) -1 to 1 c) $0 - \infty$ d) 0 to 1
3. The maximum value of expected years of schooling in HDI calculation is taken as
 - a) 17 b) 18 c) 15 d) 13
4. The rate of profit defined by Marx is
 - a) C/V b) $C+S/V$ c) S/V d) $S/(C+V)$
5. "Launching a country in to self sustaining growth is little like an airplane off the ground. There is a critical ground speed which must be passed before the craft can become airborne..." This statement is related to the theory of
 - a) Big push theory b) Unbalanced growth theory
 - c) Low Level Equilibrium Trap d) Critical Minimum effort Thesis
6. The theory of financial dualism was developed by
 - a) J H Boek b) Prof. Higgins c) Prof. Myint d) Myrdal
7. The following assumption is not true with Harrod-Domar model
 - a) The $APS=MPS$ b) The MPS remains constant
 - c) The general price level is not constant d) There are no changes in interest rate.
8. In the Harrod Model, if G exceeds G_w .
 - a) C exceeds C_r b) C will be less than C_r c) $C=C_r$ d) None of the above
9. "The centrifugal forces of expansionary momentum emanating from the centres of economic expansion to other region" is an example of
 - a) Beta convergence b) Backwash effect c) Spread effect d) Gama convergence.

10. From the following, the strategy of unbalanced growth is advocated by
 a) A O Hirshman b) H W Singer
 c) Paul Streeten d) All of the above.
11. "The spontaneous and discontinuous change in the channels of flow, disturbance of equilibrium, which forever alters and displaces the equilibrium state previously existing" is a definition of development by,
 a) Rosentein Rodan b) Arthur Lewis
 c) Joseph Schumpeter d) Harvey Leibenstein.
12. Which is true with Kyoto Protocol
 a) It was adopted on 11 December 1997.
 b) Owing to a complex ratification process, it entered into force on 16 February 2005.
 c) Currently, there are 192 Parties to the Kyoto Protocol.
 d) All are true
- 13) According to the Domar Model, when $\Delta I/I$ is greater than $\alpha\sigma$
 a) The economy would experience depression
 b) The economy would experience boom.
 c) The economy would experience stability.
 d) The economy would neither experience boom nor depression.
- 14) "A circular constellation of forces tending to act and react upon one another in such a way as to keep a poor country in a state of poverty". It is a statement of
 a) Arthur Lewis b) Ragnar Nurkse
 c) Rosentein-Rodan d) Leibenstein
- 15) A spatial metaphor which describes and attempts to explain the structural relationship between the advanced and a less developed area within a particular country is denoted with
 a) Geographical dualism b) Centre- periphery thesis
 c) Circular causation thesis d) Technological dualism

(15 × 1/5 = 3 weightage)

Part B: Answer any five (very short answer questions).

Each question carries one weightage

- 16) Define inverted U hypothesis of Kuznet
 17) Differentiate Growth and development
 18) Explain the concept "development as freedom".
 19) Explain the Backwash and Spread effects.
 20) Define development gap.
 21) List out the tools for measuring inequality.
 22) What is convergence hypothesis?
 23) Write a note on Brundtland commission.

(5 × 1 = 5 weightage)

Part C: Answer any seven questions (Short answer questions)

Each carries a weightage of 2

- 24) Explain the process of calculating HDI.
- 25) Explain the relevance of "big push" theory in the context of UDCs
- 26) Discuss the critical minimum effort thesis.
- 27) Write a brief note on the Todaro model of rural urban migration.
- 28) Explain the Marxian theory of surplus value.
- 29) Write a note on the Kaldor model of growth.
- 30) Explain the circular causation theory of Myrdal.
- 31) Discuss the endogenous growth theory.
- 32) Discuss the concept of Multi Dimensional Poverty index.
- 33) Explain the relevance of limit to growth theory.

(7 × 2 = 14 weightage)

Part D: Essay questions

Answer any two questions. Each carries four weightage

- 34) Compare and contrast the Lewis's theory of unlimited supply of labour and Fei-Ranis model of development.
- 35) Examine the relevance of Harrod- Domar model of economic growth in UDCs.
- 36) Discuss the relevance of Balanced and Unbalanced growth strategy of economic development in UDCs.
- 37) Critically examine the Solow's model of economic growth

(2 × 4 = 8 weightage)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester MA Economics Degree Examination, November 2023

MEC3C11- Econometrics : Theory and Applications

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

Part A

Answer All Question

All the questions carry a weightage of 1/5

1. Which of the following statements regarding the meaning and definition of econometrics are correct?
 - I. Econometrics is the quantitative analysis of economic data using mathematical and statistical tools to test hypotheses and make forecasts.
 - II. Econometrics is primarily concerned with proving causation in economic relationships through rigorous statistical techniques.
 - III. Econometrics involves using economic theory to generate hypotheses and then testing them with empirical data.
 - IV. Econometrics is a branch of philosophy that seeks to unravel the existential mysteries of economic phenomena.

a. Only I is correct b. I, II and III are correct
c. I and III are correct d. All are correct
2. Who provided a probabilistic rationale for regression analysis in 1944, laying the foundation for econometrics grounded in probabilistic reasoning and statistical inference?

a. Henry Moore b. Ragnar Frisch c. Trygve Haavelmo d. Irving Fisher
3. Which of the following statements best describes the difference between panel data and pooled cross-sectional data?
 - a. Panel data combine observations from different entities at a single time point, while pooled cross-sectional data combine observations from the same entities at multiple time points.
 - b. Panel data follow the same cross section units for multiple time points, while pooled cross-sectional data involve a multiple entity but not the same cross section units observed at multiple time point.
 - c. Panel data and pooled cross-sectional data are two terms for the same type of data and can be used interchangeably.
 - d. Panel data and pooled cross-sectional data both involve a single entity observed at a single time point.

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4. What is the primary distinction between the "population regression function" (PRF) and the "sample regression function" (SRF) in regression analysis?
- The PRF uses sample data, while the SRF uses population data.
 - The PRF involves a single independent variable, while the SRF involves multiple independent variables.
 - The PRF represents the relationship in the entire population, while the SRF represents the relationship in a sample from the population.
 - The PRF is based on conditional expectations, while the SRF is based on unconditional expectations.
5. According to the Gauss-Markov Theorem, which of the following models is likely to result in BLUE OLS estimators?
- A model with perfect multicollinearity.
 - A model with heteroscedastic errors.
 - A model with omitted relevant variables.
 - A model with non-correlated errors that are normally distributed and homoscedastic.
6. In the context of OLS estimation, what does the term "precision" of the estimators refer to?
- The ability to predict the dependent variable accurately.
 - The closeness of estimated coefficients to the true population parameters.
 - The statistical significance of the regression model.
 - The strength of the relationship between the dependent and independent variables.
7. In a simple linear regression analysis, if the 95% confidence interval for the slope coefficient does not include zero, what does this imply about the significance of the coefficient?
- The coefficient is not significant.
 - The coefficient is significant at the 0.05 level.
 - The coefficient is significant at the 0.10 level.
 - The coefficient is significant at the 0.01 level.
8. In statistical inference for SLRM, if the p-value associated with a coefficient is less than the chosen significance level (e.g., $\alpha = 0.05$), what is the typical decision?
- Reject the null hypothesis and conclude that the coefficient is significant.
 - Fail to reject the null hypothesis and conclude that the coefficient is not significant.
 - Reject the alternative hypothesis and conclude that the coefficient is not significant.
 - Fail to reject the alternative hypothesis and conclude that the coefficient is significant.
9. For $R^2 = 0.60$, (k , no of regressors = 2 and sample size 10), then the adjusted R^2 is
- 0.56 b. 0.55 c. 0.54 d. 0.53

10. You are analyzing a dataset where the relationship between the variables appears to be curvilinear. Which transformation is most likely to linearize the relationship?
a. Logarithmic b. Square root c. Exponential d. Inverse
11. Suppose you have a qualitative variable named "districts" with 14 categories. How many dummy variables can you introduce to represent this variable in a regression analysis?
a. 14 dummies with intercept b. 14 dummies without intercept
c. 13 dummies with intercept d. both b and c are correct
12. Which statistical test is commonly used to detect autocorrelation by examining the sequential pattern of residuals?
a. Durbin-Watson test b. Glejser test c. Runs test d. VIF test
13. Multicollinearity can be detected if:
a. The coefficient of determination (R-squared) is close to 1.
b. The variance inflation factor (VIF) is high for one or more independent variables.
c. A high R^2 with low significant t ratios
d. Both b and c
14. What is the primary purpose of the Ramsey's RESET test in regression diagnostics?
a. To detect multicollinearity
b. To test for heteroscedasticity
c. To assess the overall model specification
d. To measure the goodness of fit
15. Suppose you are conducting a multiple linear regression analysis to predict a person's income based on their education, years of experience, and age. You encountered the following issues and which of the following options represents a specification error?
I. You mistakenly omit the variable "years of experience" from your model.
II. You choose a quadratic functional form for your regression model
III. Some errors of measurement occurred in collecting or recording data
a. Only I b. I and II c. I and III d. I, II and III

$$15 \times \frac{1}{5} = 3$$

Part B

Answer Any Five Question

All the questions carry a weightage of 1

16. What is the difference between mathematical model and econometric model?
17. What is residual sum square in regression?
18. Explain t value
19. Define the Perfect multicollinearity and its problem
20. Define Specification error

21. Briefly explain a Semi log model
22. Explain the Model selection criteria
23. What is dummy variable trap?

$5 \times 1 = 5$

Part C

Answer Any Seven Question

All the questions carry a weightage of 2

24. How the subject matter of econometrics is different from mathematical economics and statistics?
25. Explain the assumptions associated with Ordinary Least Squares.
26. Elucidate the interconnections between t-statistics, F-statistics, R-squared, and adjusted R-squared within the context of a simple linear regression model?
27. Why do we need Adjusted R^2 in MLRM to test the goodness of fit? If R^2 in a 3 variable regression model with 50 observations is 0.72, then find out the value of adjusted R^2
28. Explain the process of estimation of elasticity using log-log model?
29. Discuss Durbin-Watson test for detecting autocorrelation.
30. Explain Multicollinearity and its sources.
31. Write a note on specification error and ways to detect it.
32. The estimated results of dummy variable regression model is

$$W = 1348.42 + 376.646D1 + 12.45D2 + 314.55(D1D2) + 21.42Ex$$

Where $D1$ =Male and 0 otherwise and $D2=1$ if Keralites and 0 otherwise, and Ex =experience. Interpret the result?

33. How to interpret an OLS regression result of income on expenditure?

$$Y = 184.07 + 0.7827X$$

$$\{8.258\} \quad \{0.369\}$$

$$(22.3) \quad (2.12)$$

$$[0.69] \quad [0.05]$$

$$R^2 = 0.98 \quad D.W = 1.9$$

Where, { } are Standard errors, () are t values and [] p values

$7 \times 2 = 14$

Part D

Answer any two

Each question carries a weightage of 4

34. How would you go about empirically testing the Liquidity Preference Theory, which posits that the demand for money is influenced by income and interest rates? Describe the specific steps and methods you would employ for this analysis.
35. Explain Gauss-Markov theorem and prove that the slope parameter (β_1) is linear function of Y_i and estimated intercept (β_0) and β_1 are the unbiased estimators of true β_0 and β_1 , and estimators possess minimum variance.
36. The following table gives the data on income and consumption expenditure of the 10 households. Construct a theoretically valid econometric model, estimate the relationship, evaluate the model and interpret the result.

Household	Income	Consumption expenditure
1	80	55
2	100	88
3	120	90
4	140	80
5	160	118
6	180	120
7	200	144
8	220	135
9	240	145
10	260	175

37. Explain Heteroscedasticity, including its effects, techniques for identification, and strategies for addressing it.

$$2 \times 4 = 8$$

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Third Semester MA Economics Degree Examination, November 2023

MEC3E01 – Research Methodology and computer Applications

(2022 Admission onwards)

Time: 3 hours

Max. Weightage : 30

Part A

Each question carries 1/5 weightage.

1. The first step of research is:
(A) Selecting a problem (B) Searching a problem
(C) Finding a problem (D) Identifying a problem
2. Research is
(A) Searching again and again (B) Finding a solution to any problem
(C) Working in a scientific way to search for the truth of any problem
(D) None of the above
3. A research problem is feasible only when:
(A) It has utility and relevance (B) It is researchable
(C) It is new and adds something to the knowledge
(D) All the above
4. Bibliography given in a research report:
(A) Shows vast knowledge of the researcher
(B) Helps those interested in further research
(C) Has no relevance to research (D) All the above
5. The experimental study is based on:
(A) The manipulation of variables (B) Conceptual parameters
(C) Replication of research (D) Survey of literature
6. The authenticity of a research finding is its:
(A) Originality (B) Validity (C) Objectivity (D) All of the above
7. When a research problem is related to a heterogeneous population, the most suitable sampling method is:
(A) Cluster Sampling (B) Stratified Sampling
(C) Convenient Sampling (D) Lottery Method
8. Action-research is:
(A) An applied research (B) A research carried out to solve immediate problems
(C) A longitudinal research (D) All the above

9. A null hypothesis is
 - (A) When there is no difference between the variables
 - (B) The same as research hypothesis
 - (C) Subjective in nature
 - (D) When there is a difference between the variables
10. What is snowball sampling in research?
 - (A) A method of selecting random participants from a population
 - (B) A technique for obtaining a diverse sample from a targeted group
 - (C) A method for systematically collecting data on a specific topic
 - (D) A non-probabilistic sampling method based on referrals or nominations
11. Which APA style edition is the most recent?
 - (A) 6th edition
 - (B) 7th edition
 - (C) 8th edition
 - (D) 9th edition
12. Which correlation coefficient best explains the relationship between creativity and intelligence?
 - (A) 1.00
 - (B) 0.6
 - (C) 0.5
 - (D) 0.3
13. Which formula is used to sum a range of values in Excel?
 - (A) =SUM()
 - (B) =COUNT()
 - (C) =AVERAGE()
 - (D) =MAX()
14. In Excel, which file format is used for saving a workbook that preserves all formatting and functionality, including macros?
 - (A) .CSV
 - (B) .TXT
 - (C) .XLSX
 - (D) .PDF
15. What does the "egen" command in Stata allow you to do?
 - (A) Generate new variables based on existing data
 - (B) Merge datasets
 - (C) Export data to Excel
 - (D) Run hypothesis tests

(15x1/5= 3 weightage)

Part B. Short Answer Questions

Answer Only 5 out of 8. Each question carries one weightage

16. Define research.
17. What is experimental research design?
18. Differentiate census and sample survey.
19. What do you mean by operational definition in research?
20. Differentiate questionnaire and schedule.
21. What are the benefits of using Mendeley software?
22. How to merge and replace data sets in STATA?
23. What is the difference between do file and log file in STATA?

(5x1 = 5 weightage)

Part C. Short Essay

Answer Only 7 out of 10. Each question carries 2 weightage.

24. Explain various methods of probability sampling and evaluate their merits and demerits.
25. Differentiate between Nominal, Ordinal, Interval and Ratio Variables.
26. Evaluate different methods of collecting primary data.
27. What is sampling design? Describe the steps in developing a sampling design.
28. What are the major ethical issues related to the research?
29. Explain steps to draw linear, non-linear trend lines and moving averages using MS Excel.
30. What is the difference between do file and log file in STATA?
31. How do you import and export data using STATA?
32. Point out different measurement scales.
33. Briefly explain the structure of a research report.

(7x2 = 14 weightage)

Part D. Essay Questions

Answer Only 2 out of 4. Each question carries 4 weightage.

34. List out and explain the steps involved in the research process.
35. Explain the importance and procedure of reviewing literature in research.
36. What is the need for research design? Discuss various types of research design.
37. Elucidate Plagiarism. Describe its major types and detecting methods

(2x4 = 8 weightage)