

SHETH T.J. EDUCATION SOCIETY'S
SHETH NKTT COLLEGE OF COMMERCE AND SHETH JTT COLLEGE OF
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T. Y. B. A – Semester -V – Economics of Development
(effective from the Academic Year 2018-19)

Multiple Choice Questions of Economics of Development

Module -I – Concepts of Economic growth and Development

1. Economic ____ is necessary but not sufficient condition for economic ____.
 - a. Growth, development
 - b. Development, growth
 - c. Both a and b
 - d. None of these
2. ____ can be measured by an increase in country's GDP.
 - a. Economic growth
 - b. Economic development
 - c. Sustainable development
 - d. Green GDP
3. According to Todaro, ____ must be conceived of as a multidimensional process.
 - a. Economic growth
 - b. Economic development
 - c. Self esteem
 - d. Self worth
4. According to Goulet core value of development of ____ is concerned with the ability to meet basic needs.
 - a. Self-esteem
 - b. Sustenance
 - c. Freedom
 - d. freedom
5. ____ as a core value of development as given by Goulet is concerned with a feeling of self-worth, self-respect and independence.
 - a. Self-esteem
 - b. Sustenance
 - c. Freedom
 - d. None of these
6. According to Schumpeter ____ is a spontaneous and discontinuous change in the stationary state which disturbs the equilibrium state previously existing.
 - a. Economic growth
 - b. Economic development
 - c. Self esteem
 - d. Freedom
7. Economic growth is ____

- a. Quantitative
 - b. Qualitative
 - c. Not measurable
 - d. Neither quantitative nor qualitative
8. Economic development brings _____ changes in the economy.
- a. Quantitative and qualitative
 - b. Quantitative
 - c. Qualitative
 - d. Neither quantitative nor qualitative
9. Economic development is more relevant to measure progress and quality of life in _____
- a. Developing nations
 - b. Developed nations
 - c. Advanced nations
 - d. Economic superpowers
10. Economic growth is a more relevant matrix for progress in _____
- a. Developed nations
 - b. Developing nations
 - c. Both a and b
 - d. None of these
11. _____ is a necessary and sufficient condition for development
- a. Economic development
 - b. Economic growth
 - c. Sustainable development
 - d. Military advances
12. _____ is necessary but not sufficient condition for development
- a. Economic development
 - b. Economic growth
 - c. Both a and b
 - d. None of these
13. _____ is easier to realise
- a. Economic development
 - b. Economic growth
 - c. Both a and b
 - d. None of these
14. Attainment of _____ involves changes in output composition, input allocation, reduction of poverty, inequality and unemployment.
- a. Economic development
 - b. Economic growth
 - c. Both a and b
 - d. None of these
15. _____ is the development that meets the needs of the present without compromising the ability of future generations to meet their own needs.
- a. Economic development
 - b. Economic growth

- c. Sustainable development
 - d. None of these
16. The pillars of sustainability are ____
- a. Economic
 - b. Social
 - c. Environmental
 - d. All of these
17. According to Amartya sen ____ is defined as the set of alternative commodity bundles that a person can command in a society using the rights and obligations that he/she has.
- a. Capabilities
 - b. Entitlements
 - c. Functioning
 - d. Freedom
18. According to Amartya sen ____ means what a person can or can not do, can or cannot be.
- a. Capabilities
 - b. Entitlements
 - c. Functioning
 - d. Freedom
19. According to Amartya sen ____ refers to what people actually do and are, they are achievements of people
- a. Capabilities
 - b. Entitlements
 - c. Functioning
 - d. Freedom
20. ____ formula is used to calculate Green GDP
- a. $GDP + \text{Net factor income from abroad}$
 - b. $GDP + C + I + G$
 - c. $GDP - \text{Depreciation}$
 - d. $GDP - \text{Net natural capital consumption}$
21. The ____ is a summary measure of achievements in three dimensions- a long and healthy life, access to knowledge and a decent standard of living.
- a. Human Development Index
 - b. Gross national product
 - c. Per Capita Income
 - d. Green GDP
22. ____ measures the differences between male and female achievements in three basic dimensions of human development, health, education and command over economic resources.
- a. Gender related development index
 - b. Gross national product
 - c. Per Capita Income
 - d. None of these
23. ____ is not a drawback of Green GDP
- a. Provides an alternative to the conventional measures of national income

- b. Can not measure economic sustainability
 - c. Difficult to measure natural capital in terms of money
 - d. Not able to capture the economic welfare aspects of GDP
24. _____ provides an insight into gender disparities in achievements in basic capabilities – health, education and command over economic resources.
- a. Gender related development index
 - b. Gross national product
 - c. Per Capita Income
 - d. None of these
25. To calculate Gender Development Index, $GDI =$ _____
- a. HDI_f / HDI_m
 - b. HDI_m / HDI_f
 - c. Both a and b
 - d. None of these

Module -II– Structural issues in development process

1. The theory of Big push was developed by _____
 - a. Lewis
 - b. Rosenstein Rodan
 - c. Schumpeter
 - d. Harrod Domar

2. According to _____ theory, minimum level of resources must be devoted to a development programme if it is to have any chances of success.
 - a. Big push
 - b. Theory of innovation
 - c. Theory of unlimited supplies of labour stages of growth
 - d. None of these

3. Indivisibility _____ refers to Indivisibility on the supply side
 - a. Indivisibility in the production function
 - b. Indivisibility of demand
 - c. Indivisibility in the supply of savings
 - d. None of these

4. _____ requires simultaneous setting up of a large number of industries.
 - a. Indivisibility in the production function
 - b. Indivisibility of demand
 - c. Indivisibility in the supply of savings
 - d. Indivisibility in the supply of income

5. A high income elasticity of savings is related to _____
 - a. Indivisibility in the production function

- b. Indivisibility of demand
 - c. Indivisibility in the supply of savings
 - d. None of these
6. According to Rodan, _____ has an important role to play in the investments in the social overhead capital
- a. The private sector
 - b. The state
 - c. Small scale industries
 - d. Cottage industries
7. The criticisms of the Big push theory are _____
- a. Neglects agricultural sector
 - b. Inadequate resources with LDCs
 - c. Possibility of coordination failure
 - d. All of these
8. The theory of unlimited supplies of labour is given by _____
- a. Lewis
 - b. Rosenstein Rodan
 - c. Schumpeter
 - d. Harrod Domar
9. Lewis divides the economy of an underdeveloped country into _____ sectors
- a. Two
 - b. Three
 - c. four
 - d. Five
10. _____ sector is that part of economy which uses reproducible capital according to Lewis.
- a. Subsistence sector
 - b. Capitalist sector
 - c. Subsistence and capitalist sector
 - d. Neither subsistence and capitalist sector
11. According to Lewis theory, _____ is traditional, overpopulated agricultural sector.
- a. Subsistence sector
 - b. Capitalist sector
 - c. Industry
 - d. Services sector
12. According to Lewis in the subsistence sector supply of labour is _____
- a. Limited
 - b. Unlimited
 - c. Constant
 - d. few

13. According to Lewis, the wages to be paid in the capitalist sector has to be _____ than the subsistence sector wages.
- Higher
 - Lower
 - Similar
 - Consistent
14. According to the Lewis theory, as profit is reinvested, the _____ curve shifts upwards, leading to rise in level of employment and capitalist surplus.
- Marginal productivity
 - Average productivity
 - Total productivity
 - None of these
15. Criticisms of the Lewis theory are _____
- Wage rate not constant in the capitalist sector
 - Skilled labour not a temporary bottleneck
 - Neglects Aggregate Demand
 - All of these
16. Schumpeter's theory of development is also called as _____
- Theory of innovation
 - Theory of Big push
 - Theory of critical minimum efforts
 - Harrod Domar Model
17. According to Schumpeter the technological progress and the rate of resource recovery depends on _____
- Supply of entrepreneurs
 - Supply of labour
 - None of these
 - All of these
18. According to Schumpeter, the essence of development is a discontinuous disturbance of the circular flow.
- Discontinuous
 - Continuous
 - Both a and b
 - None of these
19. According to Schumpeter, once innovation becomes successful and profitable, others follow the field _____
- Individually
 - In a swarm- like clusters
 - Both a and b
 - None of these
20. Solow's model ignores _____ technical progress.
- Exogenous
 - Endogenous
 - Both a and b

- d. None of these
21. ____ refers to skill and expertise embodied in the labour force through health and education.
- Physical capital
 - Human capital
 - Both a and b
 - None of these
22. According to T W Schultz Human capital can be formed in following ways
- Provision of health facilities
 - Provision of on-the-job training to enhance skill of labour force
 - Arranging education- primary, secondary and higher levels
 - All of these
23. ____ on education includes money spent by public authorities in providing education and opportunity cost involved in its expenditure.
- Private cost
 - Public cost
 - Social cost
 - Social benefit
24. Considering social cost and benefit of education, the social cost on ____ education increases faster and finally is higher than social returns.
- Primary education
 - Secondary education
 - Tertiary education
 - Any type of education
25. Impact of Health and Nutrition on economic development is ____
- Improved productivity
 - Improved learning
 - Efficient labour force
 - All of these

Module III- Inequality, poverty and development

1. In general, ____ is defined as inability of people to meet economic, social and other standards of well-being.
- Poverty
 - Inequality
 - Unemployment
 - Population growth
2. ____ is characterised by severe deprivation of basic human needs, including food, safe drinking water, sanitation, health, shelter, education and information.
- Relative poverty
 - Absolute poverty
 - Inequality
 - None of these
3. When people who are poor for significant periods of their lives, pass their poverty on to their children , it is termed as ____

- a. Relative poverty
 - b. Chronic poverty
 - c. Inequality
 - d. Unemployment
4. _____ refers to an individual's life situation in relation to others in the population.
 - a. Relative poverty
 - b. Absolute poverty
 - c. Chronic poverty
 - d. Unemployment
 5. Causes of poverty include _____
 - a. High population growth
 - b. Unemployment
 - c. Lack of nutrition and education
 - d. All of these
 6. _____ is the proportion of the national population whose incomes are below the official threshold set by the national government.
 - a. Poverty gap
 - b. Average poverty gap
 - c. Poverty head count ratio
 - d. Relative poverty ratio
 7. When the head count is taken as a fraction of the total population (N) , the head count index for measurement of poverty is defined as _____
 - a. H/N
 - b. TPG/N
 - c. TPG/H
 - d. None of these
 8. The average poverty gap is defined as _____
 - a. H/N
 - b. TPG/N
 - c. TPG/H
 - d. APG/N
 9. The ratio of the income received by _____ of the population is called the Kuznets ratio.
 - a. the top 20% to that received by the bottom 40%
 - b. the top 30% to that received by the bottom 40%
 - c. the top 40% to that received by the bottom 40%
 - d. the top 50% to that received by the bottom 50%
 10. The more the Lorenz line curve is away from the line of equality, the _____ it represents.
 - a. Greater the degree of inequality
 - b. smaller the degree of inequality
 - c. constant degree of inequality
 - d. no impact on inequality
 11. Gini coefficients are aggregate inequality measures and can vary anywhere between _____
 - a. 1 and 2
 - b. 2 and 3

- c. 0 and 1
 - d. 3 and 4
12. ____ method looks at the income received by the factor as a whole in the form of rent, interest and profit.
- a. Personal income
 - b. Gini coefficient
 - c. Functional share distribution of income
 - d. None of these
13. According to the Kuznets curve, the income inequality ____
- a. Would first rise and then decline with economic growth
 - b. Would first fall and then rise with economic growth
 - c. Would first rise and then further rise with economic growth
 - d. Would first fall and then further decline with economic growth
14. ____ curve is 'inverted U' shaped curve
- a. Demand curve
 - b. Supply curve
 - c. Kuznets curve
 - d. Production curve
15. The distribution of income across individuals and households is referred to as ____
- a. Absolute inequality
 - b. Vertical inequality
 - c. Poverty
 - d. None of these
16. ____ is concerned with how different groups in society are treated based on race, religion, language, class, gender etc
- a. Absolute inequality
 - b. Vertical inequality
 - c. Horizontal inequality
 - d. None of these
17. Income inequality would harm the process of economic growth and development as ____
- a. It leads to economic inefficiency
 - b. It undermines social stability and solidarity
 - c. Both a and b
 - d. None of these
18. ____ growth is a concept that advances equitable opportunities for economic participants during economic growth with benefits incurred by every section of society
- a. Inclusive
 - b. Sustainable
 - c. Economic
 - d. None of these
19. Microfinance has emerged as a growing industry to provide financial services to ____
- a. Very poor people
 - b. Rich people
 - c. Very rich people

- d. To anyone who approaches
20. Microfinance benefits women micro-entrepreneurs by ____
- Enhancing self-confidence and status
 - Mobilising female productive capacity
 - Leading to higher income
 - All of these
21. ____ is the Apex bank to look after the rural credit
- Commercial banks
 - NABARD
 - Cooperative banks
 - Foreign banks
22. Inclusive growth is important ____
- For ethical considerations of equity and fairness
 - For social peace
 - As continued inequality may result in civil unrest
 - All of these
23. Objectives of Self Help Group are ____
- To empower members of the group
 - To create group feeling among members of the group
 - To enhance the confidence and capabilities of members
 - All of these
24. Dimensions of Multidimensional poverty index are ____
- Health
 - Education
 - Standard of living
 - All of these
25. Use/s of Multidimensional poverty index is/are ____
- It can help the effective allocation of resources
 - It can be adopted for national poverty eradication programme
 - It can be used to study changes over time
 - All of these

Module IV- Technology and economic development

1. The term ____ refers to facilities like transport, electricity, energy, telecommunication, water, sanitation and toxic waste disposal.
- Infrastructure
 - Credit
 - Informal sector
 - Unorganised sector
2. Physical infrastructure is also referred to as ____ infrastructure.
- Hard
 - Soft
 - Both a and b

- d. None of these
3. ____ infrastructure can be sub divided into utilities, public works and transport.
- Economic
 - Social
 - Soft
 - Environmental
4. ____ infrastructure includes services such as health, education and recreation.
- Economic
 - Social
 - Physical
 - Environmental
5. Infrastructure contributes to growth and development by ____
- Promotion of economic growth
 - Facilitation of economic growth of the economy
 - Increase in income, employment and competitiveness
 - All of these
6. Strategies of green technology are ____
- Recycling
 - Environmental remediation
 - Renewable energy sources
 - All of these
7. ____ is the application of environmental monitoring, green chemistry, environmental science and various technological processes for environmental protection.
- Green technology
 - Appropriate technology
 - Capital intensive technology
 - Labour intensive technology
8. Appropriate technology is characterised as ____
- Use of local material, people
 - technological import
 - import of material
 - import of services
9. Benefits of environmental technology includes ____
- Use of latest energy generation techniques
 - Offers environmental solutions for disposal and recycling of waste
 - Both a and b
 - None of these
10. Technical progress is ____ if with a given input of the labour and capital, the innovation raises the marginal productivity of labour relative to the marginal productivity of capital.
- Capital saving
 - Labour saving
 - Neutral
 - Application of more labour and capital

11. Technical progress is ____ if with a given input of the labour and capital, the innovation raises the marginal productivity of capital relative to the marginal productivity of labour.
- Capital saving
 - Labour saving
 - Neutral
 - Application of more labour and capital
12. In developed countries the movement of appropriate technology focuses mainly on ____
- Consumption
 - Environmental and sustainability issues
 - Growth
 - None of these
13. ____ is an ideological movement that involves small scale, labour intensive, energy efficient, locally controlled projects
- Appropriate technology
 - Capital saving
 - Labour saving
 - Neutral
14. ____ has been referred to as the ‘wheels’ of economic activity.
- Infrastructure
 - Poverty
 - Unemployment
 - None of these
15. Role of technology in economic development ____
- To ensure national security and social stability
 - To improve quality of life
 - To create a scientific culture
 - All of these
16. Negative impact of technological change includes ____
- Impact on the number of jobs to produce goods and services
 - To improve quality of life
 - To create a scientific culture
 - None of these
17. Technology can be labelled as ____
- Tangible and intangible
 - Consumption
 - Poverty
 - None of these
18. Labels related to appropriate technology ____
- Labour intensive technology
 - Capital saving technology
 - Indigenous technology
 - All of these
19. Infrastructure is an umbrella term for many activities referred to as ____
- Social Overhead Capital

- b. Directly productive activities
 - c. Both a and b
 - d. None of these
20. Technical progress can be described as ____
- a. Labour saving
 - b. Capital saving
 - c. Neutral
 - d. All of these
21. ____ coined the word appropriate technology in 1962, yet called it intermediate technology.
- a. Schumacher
 - b. Adam smith
 - c. David Ricardo
 - d. Lewis
22. Example/s of the area/s of the use of green technology include ____
- a. Green building
 - b. Water purification
 - c. Recycling
 - d. All of these
23. Infrastructure Contributes to sustainable development by ____
- a. Creating employment
 - b. Enhancing human capital
 - c. Improving environmental conditions
 - d. All of these
24. Example of social infrastructure assets include ____
- a. Schools
 - b. Railway
 - c. Bridges
 - d. flyovers
25. Linkage of infrastructure to economic growth is ____
- a. It promotes and sustains economic growth
 - b. It reduces productivity
 - c. Diversification of production
 - d. All of these
