

International Islamic University Chittagong (IIUC)

Department of Economics & Banking

Final Examination; Autumn 2021

Program: BSS (Honors)

Course Code: ECON-3602

Course Title: Economic Growth and Development

Time: 2.5 Hours

Full Marks: 50

***Answer any FIVE of the following questions. All parts of a question must be answered sequentially. Figures in the right margin indicate full marks.***

1. (a) Analyze the Rostow's stages of economic development. 07  
(b) Has Bangladesh reached the stage of take-off? Give reasons in favour of your answer. 03
2. (a) How can public and private foreign capital be used as catalysts of development? What is their role in accelerating economic development? 05  
(b) "Trade, not aid is the basis of economic development"- Justify the validity of the statement in the context of Bangladesh. 05
3. (a) The assumption of substitutability between labor and capital gives the growth process adjustability so that the problem of knife edge doesn't arise in the Solow model. Explain. 08  
(b) What are the weaknesses of the model? 02
4. (a) Develop the basic equations of Harrod- Domar growth model. 07  
(b) Identify the limitations of the model from the standpoint of underdeveloped countries. 03
5. (a) Define shadow price. How can you measure the shadow prices of capital, labor and foreign exchange? 08  
(b) Mention some major uses of shadow prices. 02
6. (a) Point out the process of technological development. 04  
(b) Distinguish between labor-intensive and capital-intensive technology. Which one will you recommend for a developing economy like Bangladesh? 06
7. (a) Technology transfer is an engine of growth for the LDCs – Explain focusing on the need for transfer of technology. 05  
(b) Write note on golden rule of accumulation. 05