Assignment 4

The due date for submitting this assignment has passed.

1. The role of change in average income to total income is known as
   - Actual Growth Rate
   - WARRANTED GROWTH RATE
   - Natural Growth Rate
   - Full Employment Growth Rate
   No, the answer is incorrect. Question 1
   Accepted Answer: Actual Growth Rate
   1 point

2. Warranted Growth Rate is also known as
   - Natural Growth Rate
   - Full Employment Growth Rate
   - Actual Growth Rate
   - Sustainable Growth Rate
   No, the answer is incorrect. Question 2
   Accepted Answer: Full Employment Growth Rate
   1 point

3. According to Harrod-Domar model, what will happen when the actual growth rate is less than warranted growth rate?
   - Inflation
   - Deflation
   - No effect
   - Slowly Growth
   No, the answer is incorrect. Question 3
   Accepted Answer: Deflation
   1 point

4. Consider the following statements about "Full Employment Ceiling" and choose the correct option:
   - It is an upper limit to the explanation of output and is determined by national conditions
   - It is determined by factors such as availability of labor force, capital equipment, and state of technical knowledge
   - It may change as the factor of production grow or technological progress takes place
   - All of the above
   No, the answer is incorrect. Question 4
   Accepted Answer: All of the above
   1 point

5. Consider the following statements regarding Solow model and choose the correct option:
   - Production function used in the Solow Model is at the Cobb-Douglas form, and it exhibits constant returns to scale.
   - It is assumed that the production in the economy is taking place in a perfect competitive framework.
   - According to Solow model, in the long run countries exhibit per capita growth at all the rates of technological progress.
   - All of the above
   No, the answer is incorrect. Question 5
   Accepted Answer: All of the above
   1 point

6. Which among the following is incorrect when considering statistical facts about economic growth?
   - Gini coefficient and other inequality measures are widely used
   - Growth rates are generally constant over time
   - Inequality and poverty are closely related
   - Both skilled and unskilled workers tend to migrate from poor to rich countries or regions
   No, the answer is incorrect. Question 6
   Accepted Answer: Gini coefficient and other inequality measures are widely used
   1 point

7. "One of the assumptions of Solow model is that the technology is exogenous-that is, the technology available to firms is unaffected by the actions of the firm itself." True or False?
   - True
   - False
   Accepted Answer: True
   1 point

8. Which of the following models is also known as Capital Accumulation Model?
   - Harrod Model
   - Lucas Growth Model
   - Solow Model
   - Schumpeter's Model
   No, the answer is incorrect. Question 8
   Accepted Answer: Solow Model
   1 point

9. The production function of Solow Model is assumed to have the Cobb-Douglas form and is given as Y = F (K, L) = K^αL^1-α. Which of the following statements are correct?
   - K denotes output and L denotes labor
   - The function exhibits constant returns to scale
   - Output is defined as a function of labor and technology
   - All of the above
   No, the answer is incorrect. Question 9
   Accepted Answer: All of the above
   1 point

10. Warranted Growth Rate (G*) is determined by:
    - Saving-Income Ratio
    - Capital-Output Ratio
    - Both a & b
    - Neither of the above
    No, the answer is incorrect. Question 10
    Accepted Answer: Both a & b
    1 point