

2012
[July]
ECONOMICS

Research Methodology in Economics

Time: 3 hours

The figures in the margin indicate full marks for the questions

Answer any **five** questions

1. Distinguish between references and bibliography. Prepare a document of referencing style adopted by American Psychological Association (APA) giving examples of referencing different types of (i) books (ii) articles published in books, journals and magazines (iii) report (iv) thesis (v) web materials, etc having no author, single author, 2-6 authors and more than 6 authors. 15
2. How do we measure inequality? Explain the different properties that an inequality measure should satisfy to be called as a relative inequality measure. In this connection write an explanatory note on the method of Lorenz criterion and measure inequality using income data of six persons taking three from each of the two given communities:

Person	Community X	Person	Community Y
A	2	D	5
B	7	E	1
C	6	F	9

Conclude which of the two given communities has got less inequality. 15

3. What is Gini-coefficient? How Gini-coefficient is measured using Lorenz curve technique? Measure Gini-coefficient through Lorenz curve technique using income data of community Y as given in question 2. 15
4. What is Holder's Means? Explain its usefulness in the construction of Atkinson's measure and General Entropy measure of inequality? Use appropriate examples to explain both the measures. 15

Or

Define and distinguish between absolute and relative measures of poverty. Explain the method of Head Count Ratio and Poverty Gap (FGT1 and FGT2) given a hypothetical income distribution among four persons as 7, 2, 4 and 8. 15

5. What are the basic principles on which the linear regression analysis is based? What are the possible situations in which those principles may not be applicable? 15
6. What is the multicollinearity problem? How can multicollinearity be ameliorated? 15

7. Discuss the methodology of research used by Adam Smith. Do you think that Smith's methodology is applicable in dealing with the contemporary economics research? 15
8. What are the contributions of Herbert Simon in economics research methodology? 15