

Sample Questions – Reforms in Political Economy

- Q1. Bureaucratic authoritarianism differed from earlier forms of military rule in Latin America with respect to which of the following:
- Duration
 - Institutional character
 - Economic policies
 - Political parties
- Q2. Bureaucratic authoritarianism unlike totalitarian state relies on which of the following:
- Popular support
 - Active Mass acceptance
 - Unpopular support
 - Passive mass acceptance
- Q3. Which of the following statements is true with respect to snowballing effect
- Snowballing works as a trigger when conditions are unfavourable to democracy
 - Snowballing works as a trigger only if the conditions favorable to democracy exist in a country
 - Snowballing works as a trigger irrespective of whether conditions are favourable or unfavourable to democracy
 - Snowballing never works as a trigger for transition to democracy
- Q4. *The essay "Tentative Conclusions about Uncertain Democracies" was authored by*
- Juan Linz and Alfred Stepan
 - O'Donnell and Schmitter
 - Guillermo O'Donnell
 - Adam Przeworski
- Q5. The thrust of *O'Donnell's* argument with respect to transition to Democracy was:
- Social change generated incentives to abandon democracy
 - Political change generated incentives to abandon democracy
 - Economic change generated social conflict, political polarization, and incentives to abandon democracy
 - Historical legacy provided the incentive to abandon democracy
- Q6. Structural analyses, prior to Rustow, often took a functionalist form of transitions and did not provide which of the following:
- Microfoundations
 - Macrofoundations
 - Class conflicts
 - Dependency
- Q7. Are crises necessary or sufficient to account for authoritarian withdrawal?
- Both Necessary and sufficient
 - Neither necessary nor sufficient
 - Necessary but not sufficient
 - Sufficient but not necessary
- Q8. Why was the form of authoritarianism experienced by South America starting in

- the 1960s novel?
- It was based on politicians
 - It was based on military strongmen
 - It was based on modern technocrats and a professionalized military organization
 - It was based on civil society organisations
- Q9. An important feature of India Reforms has been:
- The direction of change has been consistent
 - The direction of change has been inconsistent
 - The direction of change has been strong
 - The direction of change has been weak
- Q10. Before trade policy reforms were introduced in India, tariff levels had reached a high of
- 100%
 - 75%
 - 300%
 - 50%
- Q11. Which of the following schemes was withdrawn in an effort to curb subsidies and restore fiscal discipline
- Cash Compensatory Scheme for exports
 - National Rural Employment Guarantee Scheme
 - Pradhan Mantri Gram Sadak Yojana
 - Sarva Shiksha Abhiyaan
- Q12. Ammunition to opponents of full capital-account convertibility in India was provided by which of the following events
- Chinese crisis
 - Japanese crisis
 - East Asian Economic crisis
 - Korean crisis
- Q13. The centrepiece of Industrial reform in India was
- Industrial Re-organisation
 - Scaling back of the industrial licensing system for all but 'core sectors'
 - Industrial Disputes Act
 - Mergers and Acquisitions
- Q14. A difficult political feat which was achieved in the arena of International reforms in India was:
- Export rules were simplified
 - Dismantling of the system of bureaucratic controls governing international commerce
 - Import rules were simplified
 - Some sectors were permitted to export and import
- Q15. Relaxation of which Act gave a big spurt to private investment and corporate restructuring in India
- Rent Control Act
 - Monopoly and Restrictive Trade Practices (MRTP) Act

- c. Land Revenue Act
- d. Electricity Act

Q16. An important feature of reforms in India is that it increased the salience of State governments as facilitators of new investments. This led to:

- a. State governments competing with each other to create investor friendly climate
- b. State governments befriending other states to create investor friendly climate
- c. State governments becoming aloof from investors
- d. State governments raising their tax rates

Q17. When does "concession" occur in Alesina and Drazen's War of attrition model?

- a. Concession occurs when the (group-specific) cost of waiting is greater than the expected benefit from waiting.
- b. Concession occurs when the (group-specific) cost of waiting just equals the expected benefit from waiting.
- c. Concession occurs when the (group-specific) cost of waiting is less than the expected benefit from waiting.
- d. Concession occurs when the (group-specific) cost of waiting is too high

Q18. In the Alesina Drazen model of War of Attrition, countries with institutions that lessen the utility loss from distortionary financing of government expenditures (such as indexation) will, other things equal, be expected to

- a. Hasten stabilization
- b. Bring forward the date of stabilisation
- c. Postpone stabilization
- d. Have no impact on the date of stabilisation

Q19. In the Alesina Drazen War of Attrition Model an increase in income inequality may make relative income levels more apparent, leading to which of the following:

- a. Stabilisation would be postponed
- b. an immediate stabilization
- c. Stabilisation would be delayed
- d. Stabilisation would not occur

Q20. Governments often fail to adopt policies that economists consider to be efficiency-enhancing on account of which of the following:

- a. the gainers from the status quo are often politically "weak" and the losers politically "strong"
- b. The gainers and losers from status quo are both weak
- c. the gainers from the status quo are often politically "strong" and the losers politically "weak"
- d. The gainers and losers from status quo are both strong

Q21. Poincare's 1926 program increased both indirect taxes and income tax on the lower middle class and tax rates on the wealthiest fraction of taxpayers were substantially reduced. Which of the following propositions of the Alesina Drazen model does this illustrate:

- a. Successful stabilizations are usually preceded by several failed attempts
- b. There is agreement on the need for a fiscal change
- c. The burden of stabilization is sometimes quite unequal with the weaker group bearing the larger brunt of stabilisation.

- d. There is a political stalemate over how the burden of stabilization should be allocated.
- Q22. In the Alesina Drazen model of War of Attrition, if prior to stabilization an individual is bearing $\frac{1}{2}$ the cost and post stabilization if he is the loser he will bear more than $\frac{1}{2}$ the cost, then he would prefer:
- The stabilisation happening
 - The stabilisation not happening
 - The stabilisation happening soon
 - The stabilisation happening very soon
- Q23. Fernandez and Rodrik Model shows a bias towards the status quo and hence against efficiency-enhancing reforms when
- Gainers and losers can be identified before hand
 - Gainers and losers cannot be identified before hand
 - Gainers can but losers cannot be identified before hand
 - Gainers cannot but losers can be identified
- Q24. In South Korea; Chile and Turkey reform was imposed by authoritarian regimes and against the wishes of business, even though business emerged as the staunchest defender of outward orientation once the policies were in place. Which of the following models allows us to explain such apparently inconsistent behaviour
- Fernandez Rodrik model of bias towards status quo
 - Alesina Drazen War of Attrition model
 - Gradualism versus Big Bang model
 - Sequencing of Economic Reforms in the Presence of Political Constraints
- Q25. A gradualist reform is defined as:
- A gradualist approach assigns different parts of a reform program into groups and within each group, there is NO strong interdependence. Across groups too there is NO strong interdependence.
 - A gradualist approach assigns different parts of a reform program into groups and within each group, there IS strong interdependence. Across groups, there is NO strong interdependence.
 - A gradualist approach assigns different parts of a reform program into groups and within each group, there IS strong interdependence. Across groups too there IS a strong interdependence.
 - A gradualist approach assigns different parts of a reform program into groups and within each group, there is NO strong interdependence. Across groups too there is NO a strong interdependence.