

M.A SEM - III

CC - II,

Economics of Growth & Development - II

Topic: - Prebisch Singer Theses.

Assumption :-

- (1) As income rise in the advanced countries, the pattern of demand shift from primary products to the manufactured products due to Engel's law.
- 2) There is slow rise in demand for product in the developed countries.
- 3) The export market for product of LDC's is competitive.
- 4) The export market for products of developed countries is monopolistic.
- 5) Wages and prices are low in lower developed countries (LDC's).

- 6) The appearance of substitutes for products of LDC's reduces demand for them.
- 7) The benefit of increased productivity is not passed by the producers of manufactured products in advanced countries to LDC's through lower prices.
- 8) The economic growth in the ~~LDC's~~ LDC's is indicated by income terms of trade.

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