

ECONOMICS

Paper—I

Time—Three Hours

Full Marks—300

*Candidates should attempt Question No. 1 from Section-A and Question No. 5 from Section-B which are compulsory, and any **THREE** of the remaining questions, selecting at least **ONE** from each Section.*

All questions carry equal marks.

SECTION—A

1. Answer any **THREE** of the following in about 200 words each :— 3×20=60
 - (a) Evaluate the Kaldor-Hicks criterion for an improvement in general Welfare.
 - (b) Examine the feasibility of three main fiscal functions in the market economy in the globalization era.
 - (c) What is human development index ? Discuss the factors which measure Human Development.
 - (d) “The Multinational corporations transfer second rate and over priced technology to less developed countries”—Comment.
2. How does a monopolist fix the price of the product ? Is it inevitable that the monopoly price is higher than the competitive price ? 60

3. What are the main taxes for Central and State Governments in India ? Discuss the factors determining taxable capacity in India. 60
4. Describe the Harrod growth model and point out its applicability in the developing countries. 60

SECTION—B

5. Answer any **THREE** of the following in about **200** words each :— 20×3=60
 - (a) Explain Liquidity Preference theory of interest. How is it indeterminate ?
 - (b) "Money is a good servant but a bad master." Discuss.
 - (c) Tariff vs Quota which of the two do you consider better and why ?
 - (d) Discuss the Product cycle theory of international trade.
6. Give a critical appraisal of the Quantity theory of money. To what extent does Keynes' income expenditure approach constitute an improvement on the Quantity theory ? 60
7. Explain the main functions of a Central Bank and the way in which it controls currency and credit policy. 60
8. Critically examine the objectives and achievements of the WTO. 60