

Economics

Paper-I

Time Allowed: Three Hours

Maximum Marks: 300

- Note:* 1. The figures in the margin indicate full marks for the questions.
2. Candidate should answer questions No. 1 and 5 which are compulsory and any **three** of the remaining questions, selecting at least **one** from each section.

SECTION – A

1. Explain any **three** of the following in not more than **200** words each:
- 20×3=60
- (a) Difference between inferior goods and Giffen goods.
- (b) Graphically explain the incompatibility of competitive firms equilibrium with constant costs (constant – returns).
- (c) Graphically explain the price-rigidity under oligopoly market.
- (d) Explain marginal condition of pareto - optimality.
2. Critically explain the modern theory of determination of rate of interest propounded by Hicks-Hansen. 60
3. “The level of employment is determined by the level of income which in turn depends upon aggregate demand”. Comment. 60
4. Examine the extent of effectiveness of monetary and fiscal policies in counteracting cyclical fluctuations. 60

SECTION – B

5. Write short notes on any **three** of the following in about **200** words each: 20×3=60
- (a) Human Capital as source of growth.
 - (b) Role of capital-output ratio in determination of growth rate.
 - (c) Elasticity of demand for Agro-products is the main cause of the plight of farmers.
 - (d) The Hazardous development.
6. Explain, why the Heckscher-Ohlin theory of international trade is a general equilibrium model. 60
7. Explain any **three** of the following: 20×3=60
- (a) factor intensity Reversal.
 - (b) Neutral, Labour Saving and Capital Saving technical progress.
 - (c) Rybczynsky Theoram.
 - (d) Metzler Paradox.
8. Critically explain the different theories of shifting of indirect taxes. 60