

# ECONOMICS

32

## PAPER—I

Time Allowed : Three hours

Maximum Marks : 300

*The figures in the margin indicate full marks for the questions*

Candidates should answer Question Nos. 1 and 5 which are compulsory and **three** from the remaining questions, selecting at least **one** from each Section

### SECTION—A

1. Answer any *three* of the following questions in not more than 200 words each :  
20×3=60
  - (a) "The theory of distribution is only a special case of the theory of value." Discuss.
  - (b) "Monetary policy is far more effective for controlling inflation than fiscal policy." Discuss.
  - (c) Explain the classical doctrine of comparative costs. On what grounds has Ohlin criticised it?
  - (d) What is 'taxable capacity'? Discuss the factors which determine the taxable capacity of a country.
2. What is the need of credit control? Describe various methods of credit control adopted by a central bank. 60
3. Distinguish between balance of payment and balance of trade. How would you remove deficit in balance of payments? Discuss. 60
4. Discuss the basic needs approach as a measure of growth-human development indices. 60

SECTION—B

5. Answer any *three* of the following questions in not more than 200 words each :

20×3=60

- (a) Make a comparison among Ricardian, Marshallian and Walrasian approaches of price determination.
  - (b) Discuss the statement that the rate of interest is determined by the demand for and the supply of money.
  - (c) What is deficit financing? Discuss its role as a means of capital formation in a developing economy.
  - (d) Examine the economic integration schemes of developing countries.
6. What is exchange rate? Discuss how exchange rate is adjusted under capital mobility. 60
7. How can you measure economic growth? What are the benefits and costs of growth? Discuss. 60
8. Examine the effects of public expenditure on production and distribution. 60

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# ECONOMICS

72

## PAPER—II

Time Allowed : Three hours

Maximum Marks : 300

*The figures in the margin indicate full marks for the questions*

Candidates should answer Question Nos. **1** and **5** which are compulsory and **three** from the remaining questions, selecting at least **one** from each Section

### SECTION—A

1. Answer any *three* of the following questions in not more than 200 words each :

20×3=60

- (a) Discuss the 'drain of wealth controversy' of late 19th century.
  - (b) What is poverty line? Discuss various methods adopted to measure poverty.
  - (c) Explain the factors that determine employment in short period and long period.
  - (d) Examine the role and problems of buffer stocks and inputs as instruments of stabilization of agricultural prices in India.
2. Point out the shortcomings in the performance of public sector in India. What measures have been initiated by the Govt. of India to overcome the shortcomings of public sector? 60
3. Analyze the major factors responsible for the large and rapidly-rising deficits in the country's balance of payments. What measures have been adopted by the government to overcome the serious problem of deficits? 60
4. Explain the meaning of central and indicative planning. Under what grounds one should move from central planning to indicative planning? Discuss. 60

SECTION—B

5. Answer any *three* of the following questions in not more than 200 words each :  
20×3=60
- (a) Give an outline of the broad factors determining national income.
  - (b) What are regional disparities in agricultural growth? What measures have been initiated by the Govt. of India to overcome the regional disparities in agricultural growth?
  - (c) Give a critical review of the government policies towards controlling inflation.
  - (d) What major factors are responsible for the aggravation of foreign debt problem? How can this problem be effectively tackled?
6. Bring out the manifold significance of the public distribution system in India. Suggest necessary measures for its reorientation so as to make more effective and useful. 60
7. Evaluate the performance of small-scale and cottage industries. Mention the major difficulties and problems that these industries face in their operations. 60
8. Critically discuss the reforms that have been initiated by the Govt. of India in the field of monetary and banking system. 60

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