P-I (1+1+1) H / 18 (N)

2018

ECONOMICS (Honours)

Paper Code : I-A

[New Syllabus]

Full Marks : 20   Time : Thirty Minutes

Important Instructions for OMR Sheet

1. Write / Fill your correct Subject Name, Subject Code & Paper Code in the space provided on the top of the OMR sheet (Subject Codes are given on the back of the OMR sheet & Paper Code in the Question Paper.)

2. Write / Fill your Name, Roll number, Registration number, Regn. Session, Exam Date and Exam Session in the space provided on the OMR Sheet.

3. Each item has four alternative responses marked (A), (B), (C) and (D). You have to darken the circle as indicated below on the correct response against each item.

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7. Use only Blue/Black Ball point pen. Use of any mobile phone, calculator or log table etc. in examination hall, is prohibited.

OMR Sheet-এর জন্য জরুরী নির্দেশাবলী

১। OMR Sheet এর নির্দেশিত স্থানে সঠিক Subject Name, Subject Code এবং Paper Code লিখতে/পূরণ করতে হবে। OMR Sheet এর পিছনের পাতায় Subject Code গুলি দেওয়া আছে এবং Paper Code টি প্রশ্নপত্রে উল্লেখ আছে।

২। OMR Sheet এর নির্দেশিত স্থানে Name, Roll number, Registration number, Regn. Session, Exam date এবং Exam Session লিখতে/পূরণ করতে হবে।

৩। প্রতিটি প্রশ্নে চারটি করে সম্ভাব্য উত্তর, যথাক্রমে (A), (B), (C) এবং (D) করে দেওয়া আছে। পরীক্ষার্থীকে সঠিক উত্তরের গোল ঘরটি নীল/কালো কালিতে পূরণ করতে হবে।

৪। সঠিক উত্তর কেবলমাত্র উত্তর পত্র অর্থাৎ OMR Sheet-এর নির্দিষ্ট স্থানে গোল ঘর পূরণ করেই দিতে হবে। অন্য কোনো উপায়ে দেওয়া উত্তরের মূল্যায়ন হবে না।

৫। পরীক্ষার্থীর ফোন নম্বর OMR Sheet এর কোনো অংশে লেখা যাবে না। কোনোরূপ অবাঞ্ছিত শব্দ লেখা বা দুর্নীতির আশ্রয় নিলে পরীক্ষার্থী নিজেই তার জন্য দায়ী থাকবে।

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Answer *all* the questions in OMR sheet.

Choose the correct answer.

Each question carries 2 marks.

1. The horizontal demand curve parallel to x-axis implies that the elasticity of demand is —

    (A) Zero (0)

    (B) Infinity (∞)

    (C) Equal to one (1)

    (D) Greater than zero but less than infinity $(0 < e < \infty)$.

2. A profit seeking monopolist operates at a level of output where —

    (A) P = MC

    (B) AC = MC

    (C) MR = MC

    (D) All of the above

3. Cardinal Utility approach resolves the Water-Diamond Paradox on the basis of

    (A) Marginal Utility

    (B) Total Utility

    (C) Average Utility

    (D) None of the above

4. If the LAC curve falls as output expands, this fall is due to —

    (A) Economics of Scale

    (B) Law of diminishing returns

    (C) Diseconomics of Scale

    (D) None of these

5. In case of an inferior good, the income elasticity of demand is —

    (A) Positive

    (B) Zero

    (C) Negative

    (D) Infinite

6. When $|e| > 1$, then with a fall in price, TR will —

    (A) Rise

    (B) Fall

    (C) Remain unchanged

    (D) None of these

7. The Larner index can be expressed as —

    (A) $\dfrac{P-MC}{AC}$

    (B) $\dfrac{P-MC}{P}$

    (C) $\dfrac{P-AC}{P}$

    (D) $\dfrac{P-TVC}{P}$

Turn Over

8. The shape of Labour Supply curve is —

    (A) Upward rising

    (B) Downward sloping

    (C) Vertical

    (D) Backward bending

9. Economic Rent can be expressed as —

    (A) Transfer earning – Actual earning

    (B) Actual earning – Transfer earning

    (C) Both (A) and (B)

    (D) None of these

10. When TR rises MR will be —

    (A) MR = 0

    (B) MR < 0

    (C) MR rising

    (D) MR > 0

_____

Turn Over

P-I (1+1+1) H / 18 (N)

2018

ECONOMICS (Honours)

Paper Code : I-B
[New Syllabus]

Full Marks : 80   Time : Three Hours Thirty Minutes

The figures in the margin indicate full marks.

Section - I

Short Essay Type question

Answer any *four* questions.   10×4=40

1. What do you mean by stability of a market ? Explain the Walrasian and Marshallian conditions for stability of a market ?   2+8

2. Explain the Hicks-Allen and Slutsky measure of substitution effect.   10

3. What is homogenous production function ? Show that the elasticity of output is the sum total of the input elasticities of output.   2+8

4. How monopoly price is determined ? Does the monopolist always charge a single price for his product ?   4+6

5. What do you mean by collective bargaining ? Explain how the wage rate and employment are determined under collective bargaining.   2+8

6. Show that the size of economic rent of a factor varies inversely with the supply elasticity of the factor.   10

7. Distinguish between 'profit maximisation' and 'sales maximisation' as an objective of a firm. Does both objective lead to same optimal outcome ?   5+5

8. When wage-rate is low any increase in wage-rate does not necessarily lead to increase in labour supply — Explain.   10

Section - II

Essay Type question

Answer any *two* questions.   20×2=40

9. (a) What is revealed preference ? What are the weak and strong ordering axioms of revealed preference ?

    (b) Show that the substitution effect is negative under revealed preference.   12+8=20

10. (a) Compare and contrast monopoly equilibrium with equilibrium under perfect competition.

    (b) Explain price and output determination under price leadership by a dominant firm.   10+10=20

11. Consider CES production with two factor inputs labour and capital.

    (a) Derive the marginal productivity of the two inputs.

    (b) Derive the marginal rate of substitution between the two inputs.

    (c) Derive the elasticity of substitution.   6+6+8=20

12. Giving suitable illustration, explain how price of a factor and its use are determined under —

    (a) monopsony in the factor market and perfect competition in the product market.

    (b) monopsony in the product market but perfect competition in the factor market.   10+10

P-I (1+1+1) H / 18 (N)

2018

ECONOMICS (Honours)

Paper Code : II-A

[New Syllabus]

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Answer *all* the questions in OMR sheet.

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1. GDP Deflator is equal to —

   (A) $\dfrac{\text{Real GDP}}{\text{Nominal GDP}} \times 100$

   (B) $\dfrac{\text{Nominal GDP}}{\text{Real GDP}} \times 100$

   (C) $\dfrac{\text{Nominal GNP}}{\text{Real GNP}} \times 100$

   (D) $\dfrac{\text{Real GDP}}{\text{Real GNP}} \times 100$

2. The Keynesian theory of employment is based on the concept of —

   (A) Aggregate Demand

   (B) Aggregate supply

   (C) Aggregate supply and Aggregate demand

   (D) Level of unemployment

3. When AD > AS, there is —

   (AD = Aggregate Demand

   AS = Aggregate Supply)

   (A) Decrease in employment

   (B) Increase in output

   (C) Increase in employment

   (D) Increase in employment and output.

4. The marginal Propensity to consume is —

   (A) The change in disposable income divided by the change in consumption.

   (B) Consumption spending divided by disposable income.

   (C) Change in consumption due to change in disposable income

   (D) Change in consumption divided by disposable income

5. Dynamic multiplier occur when —

   (A) The assumption of ceteris paribus is dropped

   (B) The economy is not in equilibrium

   (C) Consumption is unrelated to disposable income

   (D) There is a lagged response between consumption and disposable income

6. When the LM equation is $y = ₹750 + 20\,i$, there is equilibrium between the supply of and the demand for money when

   (A) The rate of interest is 10% and income level is ₹ 750

   (B) The rate of interest is 10% and income level is ₹ 800

   (C) The rate of interest is 10% and income level is ₹ 752

   (D) The rate of interest is 10% and income level is ₹ 900

7. In which of the following cases an increase in money supply will have no effect upon equilibrium income ?

   (A) LM curve is steeply sloped and IS is vertical

   (B) LM is relatively flat as is IS

   (C) LM is vertical and IS is steeply sloped

   (D) LM is steeply sloped and IS is relatively flat

Turn Over

8. The Phillips curve shows —

   (A) An inverse relationship between the real and nominal wage

   (B) An inverse relationship between the rate of inflation and the rate of unemployment

   (C) A positive relationship between nominal wage and the rate of unemployment

   (D) A positive relationship between the rate of inflation and the nominal wage

9. A group of economists who believed that price and wage regidities do not provide the only rationale for macroeconomic policy activism are called —

   (A) The classical school

   (B) The Monetarists

   (C) New-Keynesians

   (D) Keynesians

10. The neo-classical growth model says that —

   (A) Poor countries should catch-up with richer countries

   (B) Higher savings cannot raise a country's steady state growth rate

   (C) The steady state growth rate of real output depends on the sum of the exogenous growth rates

   (D) All of the above.

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Turn Over

P-I (1+1+1) H / 18 (N)

2018

ECONOMICS (Honours)

Paper Code : II-B

[New Syllabus]

Full Marks : 80   Time : Three Hours Thirty Minutes

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Section - I

Short Essay Type questions.

Answer any *four* questions.   10×4=40

1. (a) What does the quantity theory of money postulate ?

   (b) Explain the Cambridge version of the Quantity Theory of money.

       3+7=10

2. (a) State the Say's Law of market.

   (b) Do you think that Say's Law is consistant with the quantity theory of money ? Explains.   3+7=10

3. (a) What is investment multiplier ?

   (b) Distinguish between static multiplier and dynamic multiplier.   3+7=10

4. Explain the concept of Paradox of Thrift.   10

5. (a) Distinguish between Demand-Pull and Cost-Push inflations.

   (b) What is inflationary gap ?   7+3=10

6. (a) What is Bank rate ?

   (b) How is the Central Bank control credit creation power of the commercial banks by the variation of the Bank rate ?   3+7=10

7. Given the IS-LM framework, explain the effects of —

   (a) Increase in government expenditure,

   (b) A fall in marginal propensity to save.   5+5=10

8. What are the crucial differences that contribute to the distinctive features of the Keynesian and Classical model ?   10

Section - II

Essay Type question

Answer any *two* questions.   20×2=40

9. (a) Discuss the neo-classical dichotomy between real and monetary sector.

   (b) What is 'Homogeneity Postulate' ? How does it contribute to the dichotomy ?

   (c) How does this dichotomy break down in the Keynesian system ?   7+7+6=20

10. (a) Define the IS curve.

    (b) How is the IS curve derived ?

    (c) What are the factors on which the slope of the IS curve depends ?   4+10+6=20

11. (a) What is the Relative income hypothesis as proposed by Duesenberry ?

    (b) How did this hypothesis reconcile the short-run fluctuations and long-run consistancy of saving-income ratio ?

    (c) State the limitations of this hypothesis.   6+9+5=20

12. (a) Give an outline of Domar's model of economic growth.

    (b) State and prove Harrod's Knief-edge instability theorem.   10+10=20

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1/112 - 700   (6)

1/112 - 700   (7)