

2019

(CBCS)

(1st Semester)

**ECONOMICS****FIRST PAPER****( Microeconomics—I )**

Full Marks : 75

Time : 3 hours

**( PART : A—OBJECTIVE )**

( Marks : 25 )

*The figures in the margin indicate full marks for the questions***SECTION—A**

( Marks : 10 )

Tick (✓) the correct answer in the brackets provided : 1×10=10

1. "Multiplicity of wants and scarcity of means give rise to economic problems." Who said this?

- (a) P. A. Samuelson ( )      (b) J. M. Keynes ( )  
 (c) L. Robbins ( )      (d) A. Marshall ( )

2. A typical demand curve shows that quantity demanded

- (a) varies proportionately with price ( )  
 (b) varies inversely with price ( )  
 (c) varies directly with price ( )  
 (d) varies more than proportionately with price ( )

3. A consumer reaches equilibrium position when
- (a) he maximizes his total utility given his income and prices of commodities he consumes ( )
  - (b) he maximizes his consumption given his utility ( )
  - (c) he maximizes his total demand ( )
  - (d) he maximizes his consumption ( )
4. The Hicksian substitution effect takes place on
- (a) two different levels of indifference curve ( )
  - (b) the same level of indifference curve ( )
  - (c) various levels of indifference curve ( )
  - (d) a straight line ( )
5. The line joining the minimum cost combination is called the
- (a) expansion path ( )
  - (b) isocost line ( )
  - (c) average cost curve ( )
  - (d) indifference curve ( )
6. Production function is said to be homogeneous of degree one if
- (a) all inputs increase more proportionately than outputs ( )
  - (b) all outputs increase less proportionately than inputs ( )
  - (c) all inputs decrease more proportionately than outputs ( )
  - (d) all inputs and outputs increase in the same proportion ( )
7. Existence of large number of buyers and sellers is one of the characteristics of
- (a) perfect competition ( )
  - (b) monopoly market ( )
  - (c) oligopoly market ( )
  - (d) monopsony market ( )
8. The practice of setting different prices in different markets refers to price discrimination of
- (a) first degree ( )
  - (b) second degree ( )
  - (c) third degree ( )
  - (d) None of the above ( )

9. A market form where there is a single buyer is
- (a) monopoly market ( ) (b) monopsony market ( )  
(c) duopoly market ( ) (d) oligopoly market ( )

10. Monopolistic competition is a kind of market in which
- (a) a fairly large number of firms supplies differentiated products ( )  
(b) a fairly large number of firms supplies homogeneous products ( )  
(c) a single firm supplies product without close substitutes ( )  
(d) All of the above ( )

**SECTION—B**

( Marks : 15 )

Write short notes on the following :

3×5=15

1. (a) Methodology in economics

**OR**

- (b) Law of supply

2. (a) Budget line

**OR**

- (b) Price effect

3. (a) Isoquants

**OR**

- (b) Economies of scale

4. (a) Discriminating monopoly

**OR**

- (b) Controlled and administered prices

5. (a) Duopoly

**OR**

- (b) Characteristics of monopolistic competition

( PART : B—DESCRIPTIVE )

( Marks : 50 )

The figures in the margin indicate full marks for the questions

1. (a) Discuss the meaning, nature and scope of economics. 10  
OR  
(b) Critically examine Adam Smith's wealth definition of economics. 10
2. (a) What do you mean by elasticity of demand? Explain the different kinds of elasticity of demand. 3+7=10  
OR  
(b) (i) Distinguish between cardinal utility and ordinal utility. 5  
(ii) Mention the properties of indifference curve. 5
3. (a) Distinguish between returns to a factor and returns to scale. With suitable diagram, explain the law of returns to scale. 3+7=10  
OR  
(b) What are average, marginal and total cost? Explain the relationship among them. 6+4=10
4. (a) What do you mean by perfect competition? What are the characteristics of perfect competition? 3+7=10  
OR  
(b) What is monopoly market? Show how a monopolist can maximize profit. 2+8=10
5. (a) Define oligopoly. What are the characteristics of oligopoly? 2+8=10  
OR  
(b) Explain determination of price and output under monopolistic competition. 10

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2019

(CBCS)

(3rd Semester)

**ECONOMICS**

THIRD PAPER

**(Macroeconomics—I)**

Full Marks : 75

Time : 3 hours

**(PART : A—OBJECTIVE)**

(Marks : 25)

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

SECTION—A

(Marks : 10)

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. Net national product is

- (a) GNP minus net export ( )
- (b) GNP minus depreciation ( )
- (c) GNP minus net factor income from abroad ( )
- (d) GNP plus taxes ( )

2. Circular flow of income in a two-sector economy includes

- (a) financial market and business firms ( )
- (b) households and financial market ( )
- (c) business firms and households ( )
- (d) households and banking ( )

3. The classical theory of employment is based on
- (a) rigid wage structure ( )
  - (b) wage flexible structure ( )
  - (c) wage neutrality ( )
  - (d) constant wages ( )
4. In Keynes' theory, the level of investment is independent with
- (a) marginal efficiency of capital ( )
  - (b) income ( )
  - (c) consumption ( )
  - (d) saving ( )
5. When the consumption function curve coincides with income line (45° line), the amount of consumption is
- (a) equal to income ( )
  - (b) greater than income ( )
  - (c) less than income ( )
  - (d) None of the above ( )
6. In the absolute income hypothesis, the amount of current consumption is determined by
- (a) current saving ( )
  - (b) current profit ( )
  - (c) current income ( )
  - (d) current investment ( )
7. Autonomous investment is
- (a) interest elastic ( )
  - (b) income inelastic ( )
  - (c) profit elastic ( )
  - (d) income elastic ( )
8. When investment is greater than saving, it implies
- (a) higher income ( )
  - (b) lower income ( )
  - (c) same amount of income ( )
  - (d) low consumption ( )

9. At liquidity trap, people prefer to keep indefinite amount of money because

- (a) the rate of interest is too high ( )
- (b) the rate of interest is too low ( )
- (c) the rate of interest is increasing too fast ( )
- (d) the rate of interest is fluctuating ( )

10. The important source of supply of loanable funds is

- (a) bank money ( )
- (b) profit ( )
- (c) interest ( )
- (d) investment ( )

**SECTION—B**

( Marks : 15 )

Answer/Write short notes on the following : 3×5=15

1. (a) Define Gross Domestic Product.

**OR**

(b) What is Green Accounting?

2. (a) Involuntary Unemployment

**OR**

(b) Aggregate Demand

3. (a) Marginal propensity to consume

**OR**

(b) What is Keynes' psychological law of consumption?

4. (a) Investment Multiplier

**OR**

(b) Ex-post saving and ex-post investment

5. (a) Money rate of interest

**OR**

(b) What is transaction demand for money?

( PART : B—DESCRIPTIVE )

( Marks : 50 )

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

1. (a) Explain the different methods of measuring National Income. 10

**OR**

- (b) Explain the circular flow of income in the four-sector economy. How does it help to calculate National Income? 6+4=10

2. (a) What is Say's Law of Market? Explain how Keynes criticized the Say's Law of Market. 3+7=10

**OR**

- (b) Explain the equilibrium level of National Income in the two-sector model of economy through the principle of effective demand. 10

3. (a) What is meant by consumption function? Explain the factors that determine the propensity to consume of the community. 2+8=10

**OR**

- (b) Explain the Duesenberry's Relative Income Hypothesis. 10

4. (a) Explain the equality between saving and investment at the equilibrium. 10

**OR**

- (b) What is Marginal Efficiency of Capital? Explain the investment decision made by the entrepreneur on the basis of Marginal Efficiency of Capital. 3+7=10

5. (a) Explain the Loanable funds theory of Interest. 10

**OR**

- (b) Explain the Keynes' theory of interest rate determination through the interaction of demand and supply of money. 10

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2019

(CBCS)

(4th Semester)

**ECONOMICS**

FOURTH PAPER

**( Macroeconomics—II )**

Full Marks : 75

Time : 3 hours

**( PART : A—OBJECTIVE )**

( Marks : 25 )

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

SECTION—A

( Marks : 10 )

Tick (✓) the correct answer in the brackets provided : 1×10=10

1. Who states, "Bad money drives good money out of circulation when both of them are full legal tender"?

- (a) Thomas Gresham ( )  
 (b) Milton Friedman ( )  
 (c) J. M. Keynes ( )

2. In India, coins are minted at four places, which among the following is one of them?

- (a) New Delhi ( )  
 (b) Chennai ( )  
 (c) Hyderabad ( )

3. Which of the following is not a function of Commercial Bank?
- (a) Accepting of deposits ( )
  - (b) Banker's bank ( )
  - (c) Creation of credit ( )
4. Qualitative credit control by the Central Bank includes
- (a) issuing directives to restrict certain bank advances ( )
  - (b) credit rationing ( )
  - (c) open-market operations ( )
5. Exceptional business prosperity turns businessman's head to indulge in overtrading. This phase of the trade cycle is known as
- (a) boom ( )
  - (b) recovery ( )
  - (c) depression ( )
6. Over-Investment theory of trade cycle is associated with
- (a) F. A. Hayek ( )
  - (b) R. G. Hawtrey ( )
  - (c) J. R. Hicks ( )
7. A situation where wages and prices chase each other at a very quick speed is called
- (a) cost-push inflation ( )
  - (b) hyperinflation ( )
  - (c) demand-pull inflation ( )
8. An inflation caused by an enhanced wage of labour is
- (a) stagflation ( )
  - (b) demand-pull inflation ( )
  - (c) cost-push inflation ( )

9. Technological progress helps

- (a) increase in overall productivity ( )
- (b) economic growth ( )
- (c) Both (a) and (b) ( )

10. Harrod-Domar models were formulated primarily to protect the developed countries from

- (a) disguised unemployment ( )
- (b) chronic unemployment ( )
- (c) cyclical unemployment ( )

**SECTION—B**

( Marks : 15 )

Write short notes on the following :

3×5=15

1. (a) High-powered money

**OR**

(b) Advantages of paper money

2. (a) Open-market operations

**OR**

(b) Bank rate

3. (a) Phases of trade cycle

**OR**

(b) Concept of accelerator

4. (a) Phillips' curve

**OR**

(b) Deflation

5. (a) Technical progress

**OR**

(b) Economic growth and economic development

( PART : B—DESCRIPTIVE )

( Marks : 50 )

The figures in the margin indicate full marks for the questions

UNIT—I

1. (a) Define money. Describe the various functions of money. 2+8=10

OR

- (b) Discuss Fisher's quantity theory of money. 10

UNIT—II

2. (a) What are commercial banks? Discuss the process of credit creation by commercial banks. 2+8=10

OR

- (b) Describe the various instruments used by the Central Bank to control credit. 10

UNIT—III

3. (a) Critically explain Hawtrey's monetary theory of trade cycle. 10

OR

- (b) Explain the nature and characteristics of trade cycle. Briefly describe the important measures to control trade cycle. 5+5=10

UNIT—IV

4. (a) What is inflation? Discuss the various measures to control inflation in the economy. 3+7=10

OR

- (b) Explain how Phillips' curve relates unemployment and inflation in the economy. 10

UNIT—V

5. (a) Discuss Solow's model of economic growth. 10

OR

- (b) Discuss the Harrod-Domar model of economic growth. 10

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2019

(CBCS)

(5th Semester)

**ECONOMICS**

SIXTH PAPER

**( Public Finance )**

Full Marks : 75

Time : 3 hours

**( PART : A—OBJECTIVE )**

( Marks : 25 )

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

SECTION—A

( Marks : 10 )

Tick (✓) the correct answer in the brackets provided :

1×10=10

1. The principle of maximum social advantage was put forward by

- (a) Hugh Dalton ( )  
 (b) Findlay Shirras ( )  
 (c) H. L. Lutz ( )  
 (d) Bastable ( )

2. The net social advantage shall be maximum only at the point where

- (a) the social sacrifice equals the social benefit ( )  
 (b) the social sacrifice exceeds the social benefit ( )  
 (c) the social sacrifice is less than the social benefit ( )  
 (d) None of the above ( )

3. Prof. F. S. Nicholson classified public expenditure on the basis of
- (a) benefit ( )
  - (b) revenue ( )
  - (c) function ( )
  - (d) importance ( )
4. Public expenditure on wages and salaries of the government employees will fall under
- (a) Revenue A/c ( )
  - (b) Capital A/c ( )
  - (c) both Revenue A/c and Capital A/c ( )
  - (d) None of the above ( )
5. When a tax is imposed on a commodity according to its weight, size or measurement, it is known as
- (a) ad valorem tax ( )
  - (b) income tax ( )
  - (c) professional tax ( )
  - (d) specific tax ( )
6. Incidence of tax refers to
- (a) initial burden of tax ( )
  - (b) ultimate burden of tax ( )
  - (c) shifting of tax burden ( )
  - (d) All of the above ( )
7. Repudiation of public debt means
- (a) maturing bonds are replaced by new bonds ( )
  - (b) refusal to repay public debt ( )
  - (c) public debt is repaid in equal instalment ( )
  - (d) exchange of new debt for the old one ( )
8. Public debt is incurred so as
- (a) to cover temporary budget deficits ( )
  - (b) to meet wartime expenditure ( )
  - (c) to finance developmental projects ( )
  - (d) All of the above ( )

9. After the presentment of the budget, the time and day for general discussion is fixed by the

- (a) Finance Minister ( )
- (b) Junior Minister ( )
- (c) Speaker ( )
- (d) President ( )

10. The zero-based budgeting system is being followed in India since

- (a) 1985-86 ( )
- (b) 1986-87 ( )
- (c) 1987-88 ( )
- (d) 1988-89 ( )

**SECTION—B**

( Marks : 15 )

Write short notes on the following :

3×5=15

1. (a) Social wants and merit wants

**OR**

(b) Scope of public finance

2. (a) Canon of economy of public expenditure

**OR**

(b) Classification of public expenditure

3. (a) Progressive tax and regressive tax

**OR**

(b) Taxable capacity

4. (a) Internal debt and external debt

**OR**

(b) Meaning of intergenerational transfer of public debt

5. (a) Finance Commission of India

**OR**

(b) Revenue and capital budgets

( PART : B—DESCRIPTIVE )

( Marks : 50 )

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

1. (a) What is public finance? Discuss the similarities and dissimilarities between public finance and private finance. 2+8=10

**OR**

- (b) What is market failure? Discuss the measures that can be adopted by the government to correct market failure. 2+8=10

2. (a) Examine the effects of public expenditure on production, distribution and consumption. 10

**OR**

- (b) Explain briefly the main principles that should govern public expenditure. 10

3. (a) What is public revenue? Explain briefly the main sources of public revenue. 2+8=10

**OR**

- (b) Discuss the ability-to-pay approach of taxation. 10

4. (a) What is public debt? What are the different sources of public borrowing? 2+8=10

**OR**

- (b) Explain the various methods of redemption of public debt. 10

5. (a) Describe the budgetary procedure in India. 10

**OR**

- (b) Explain in detail the economic and functional classifications of budget. 10

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