No. of Printed Pages—3

18/09/22

959 (MIC2)

[22–HKPD2SN–22S]

MA 2nd Semester (New) Exam., 2022

ECONOMICS

(Microeconomics–II)

[PGEC S2–01]

Full Marks : 70 (For 2020 & 2021 batches)

Full Marks : 80 (For learners admitted before 2020)

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions (each in around *50* words) : 2×5=10

(a) Mention the conditions suggested by Pareto to attain economic efficiency.

(b) Differentiate between cooperative game and non-cooperative game.

(c) What is market failure?

(d) State the modern view on economic rent.

(e) Mention the types of innovation that may be considered.

(f) Show how investment decision is taken on the basis of net present value.

2. Answer any *four* from the following questions (each in around *100* words) : 3×4=12

(a) Briefly explain the three primary sources that generate demand for loanable funds.

(b) Citing an example, explain a non-excludable good.

(c) "Marginal productivity theory of distribution is a one-sided theory". Justify.

(d) Highlight the features of the Bergson-Samuelson welfare functions.

(e) How does Friedman-Savage hypothesis explain the coexistence of risk-loving and risk-averse behaviour in an individual?

3. Answer any *four* from the following questions (each in around *200* words) : 6×4=24

(a) Using relevant diagrams explain how positive externalities are observed in production and consumption.

(b) Explain the concept of Internal Rate of Return (IRR). If the project cost is ₹ 200 million, yield from the project has been earmarked at ₹ 240 million at year end, find the IRR. 3+3=6

(c) Give a diagrammatic representation of Scitovsky's Paradox.

(d) Discuss the concept of expected utility as a tool for analysing decision making under uncertainty.

(e) (i) Distinguish between personal distribution and functional distribution.

(ii) How important is it to study factor pricing? Give reasons. 3+3=6

4. Answer any *three* from the following questions (each in around *250* words) : 8×3=24

(a) Define and differentiate between VMP and MRP. Explain the possible existence of Monopolistic exploitation and Monopsonistic exploitation of labour in the factor market. Use diagrams to defend your answer. 2+6=8

(b) When does the problem of adverse selection arise? Analyse the impact of this problem on the Life and Health Insurance Market. 3+5=8

(c) "Knight is of the opinion that unpredictable, unforeseen changes and uncertainty about the future give rise to profit." Elucidate.

(d) Present a diagrammatical explanation of portfolio selection process associated with investment in risky assets.

(Continued)

[Q. No. 5 is only for the learners admitted before 2020 (Not for 2020 & 2021 batches)]

5. Answer the following questions : 1×10=10

(a) Fill up the blank :

The second welfare theorem does not hold when preferences are ____.

(b) Choose the correct option :

Pure public goods are

(i) non-excludable but rival

(ii) excludable but non-rival

(ii) non-excludable and non-rival

(iii) excludable and rival

(c) When does Nash equilibrium exist?

(d) Give two reasons that make cash in hand more valuable.

(e) Define real wage.

(f) What governs the supply of capital?

(g) State the condition to attain optimum product mix in a perfectly competitive market.

(h) If expected profit without complete information is ₹ 22,00,000 and with complete information is ₹ 37,00,000, then what will be the 'value' of complete information?

(i) Who laid the foundation of 'new welfare economics'?

(j) Point out the central issue considered in welfare economics.

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No. of Printed Pages—3

960 (MAC–2)

[22–HKPD2SN–22S]

MA 2nd Semester (New) Exam., 2022

ECONOMICS

(Macroeconomics–II)

[PGEC S2–02]

Full Marks : 70 (For 2020 & 2021 batches)

Full Marks : 80 (For learners admitted before 2020)

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions (each in around *50* words) : 2×5=10

(a) State the concept of monetary base.

(b) What is natural rate of unemployment?

(c) What are the selective tools of monetary policy?

(d) Clarify the meaning of repo rate and reserve repo rate.

(e) State how in an open economy the rate of interest affects the decision of the investors.

(f) State the distinction between demonetization and digitalization.

2. Answer any *four* from the following questions (each in around *100* words) : 3×4=12

(a) What is money multiplier?

(b) Why does the Phillips curve refer to?

(c) Why is the Reserve Bank of India called as the custodian of foreign exchange reserve?

(d) What are the three types of growth rates explained by Harrod in his growth model?

(e) Mention any three reasons in support of the Reserve Bank of India not aiming for zero inflation.

3. Answer any *four* from the following questions (each in around *200* words) : 6×4=24

(a) Describe the effects of inflation.

(b) Draw Solow's modified Phillips curve and describe his view on it.

(c) State the role of monetary policy and fiscal policy in controlling business cycle.

(d) Illustrate the view of Keynes on the effects of money supply in the economy.

(e) Describe the macro-economic policies used to attain economic stability.

4. Answer any *three* from the following questions (each in around *250* words) : 8×3=24

(a) Explain Milton Friedman's quantity theory of money. In this context, state any two comparisons of Friedman with Keynes.

(b) Critically explain the concept of supply-side economics.

(c) Explain how the government budget deficit and trade policy affect the open-economy equilibrium.

(d) Explain the causes of global economic crisis of 2008–09.

[Q. No. 5 is only for the learners admitted before 2020 (Not for 2020 & 2021 batches)]

5. Answer the following as directed : 1×10=10

(a) Write True or False :

Near money assets do not possess ready liquidity status like cash money.

(b) Define deflation.

(c) Choose the correct one :

Raising tax rates is a fiscal/monetary measure to control inflation.

(d) Name the curve through which the inverse relationship between inflation and unemployment can be described.

(e) What is business cycle?

(Continued)

(f) Fill in the blank :
The Keynesian economics is a ____ side economics.

(g) What is the basic theme of the monetarist?

(h) State any one developmental function of the Reserve Bank of India.

(i) What is bank rate?

(j) What is globalization?

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No. of Printed Pages—3

961 (SM)

[22–HKPD2SN–22S]

MA 2nd Semester (New) Exam., 2022

ECONOMICS

(Statistical Methods)

[PGEC S2–03]

Full Marks : 70 (For 2020 & 2021 batches)

Full Marks : 80 (For learners admitted before 2020)

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions : 2×5=10

(a) Why there are, in general, two lines of regression?

(b) Define moment generating function.

(c) Why index numbers are called as economic barometers?

(d) Prove that $E(cX) = cE(X)$, where c is a constant.

(e) Distinguish between correlation and causation.

(f) Mention two primary reasons of sampling errors.

2. Answer any *four* from the following questions : 3×4=12

(a) What are the characteristics of an ideal measure of central tendency?

(b) Distinguish between point estimation and interval estimation.

(c) Find the mean and variance of Poisson distribution such that

$$P(X = 2) = P(X = 1)$$

(d) Define Kurtosis. How is Kurtosis measured? 1+2=3

(e) What is meant by level of significance?

3. Answer any *four* from the following questions : 6×4=24

(a) Discuss the concept of log-normal distribution. Mention its various uses. 3+3=6

(b) Define median. Calculate median from the following data : 2+4=6

Class interval	:	10–20	20–30	30–40	40–50	50–60
Frequency	:	10	15	18	9	8

(c) Explain the concept of central limit theorem.

(d) A coin is tossed 4 times. What is the probability of getting—

(i) exactly two heads;

(ii) at least one head;

(iii) at most three heads? 2+2+2=6

(e) Discuss the various steps involved in testing of hypothesis.

4. Answer any *three* from the following questions : 8×3=24

(a) For a bivariate data, the following information are given :

$\Sigma X = 250,\ \Sigma Y = 300,\ \Sigma XY = 7900,$

$\Sigma X^2 = 6500,\ \Sigma Y^2 = 10000$ and $N = 10$

Find—

(i) the two lines of regression;

(ii) the coefficient of correlation between X and Y.

(b) Define t-test. State briefly the characteristics and application of t-distribution. 2+3+3=8

(c) Following data show the number of runs scored by two batsmen A and B in ten innings :

A	:	12	115	6	73	7	19	119	36	84	29
B	:	47	12	76	42	4	51	37	48	13	0

Find out who is better run getter and who is a consistent player?

(Continued)

(d) Define base shifting. Construct price index number of the following data by using— 2+6=8

(i) Laspeyre's method

(ii) Paasche's method

(iii) Fisher's method

Item	2011		2021	
	Price	Quantity	Price	Quantity
A	10	10	20	25
B	35	3	40	10
C	30	5	20	15
D	10	20	8	20
E	40	2	40	5

[Q. No. 5 is only for the learners admitted before 2020 (Not for 2020 & 2021 batches)]

5. Answer the following questions within *one* sentence : 1×10=10

(a) What is meant by data?

(b) Distinguish between random and non-random sampling.

(c) Define central tendency.

(d) What is meant by hypothesis?

(e) State the meaning of probability.

(f) Define standard deviation.

(g) Distinguish between binomial and Poisson distribution.

(h) What is meant by consumer price index?

(i) What is the shape of a normal probability curve?

(j) State the relationship between mean, median and mode.

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No. of Printed Pages—3

962 (PFP)

[22–HKPD2SN–22S]

MA 2nd Semester (New) Exam., 2022

ECONOMICS

(Public Finance and Policy)

[PGEC S2–04]

Full Marks : 70 (For 2020 & 2021 batches)

Full Marks : 80 (For learners admitted before 2020)

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions (each in around *50* words) : 2×5=10

(a) Define the term 'public finance'.

(b) Define the term 'public good'.

(c) What is meant by public receipts?

(d) Define the term 'primary deficit'.

(e) What is meant by fiscal policy?

(f) Cite an example of positive externality.

2. Answer any *four* from the following questions (each in around *100* words) : 3×4=12

(a) Discuss the concept of public choice.

(b) Discuss the effects of public expenditure on economic stability.

(c) Discuss the concept of fiscal federalism.

(d) Discuss the different sources of public debt.

(e) Suppose you are appointed as an adviser to the Finance Minister of Assam. Which major instruments of inter-governmental resource transfer you will suggest him? Discuss.

3. Answer any *four* from the following questions (each in around *200* words) : 6×4=24

(a) Make a comparison between private expenditure and public expenditure.

(b) Discuss the distributional effects of an excise subsidy in an economy.

(c) Discuss the concept of tax shifting.

(d) Discuss the concept of vertical distribution of funds in the context of India's fiscal federalism.

(e) Make a comparison between public finance and private finance.

4. Answer any *three* from the following questions (each in around *250* words) : 8×3=24

(a) Discuss the characteristics of public goods.

(b) Discuss the median voter model developed by Anthony Downs.

(c) Write short notes on the following (each within *150* words) : 4×2=8

(i) Voluntary bargaining

(ii) Neutral and non-neutral taxes

(d) Write short notes on the following (each within *150* words) : 4×2=8

(i) Redemption of public debt

(ii) Objectives of fiscal policy

[Q. No. 5 is only for the learners admitted before 2020 (Not for 2020 & 2021 batches)]

5. Answer the following questions in *one* or *two* sentence(s) : 1×10=10

(a) Mention any three components of revenue receipts.

(b) What is meant by impact of taxation?

(c) What is meant by public budget?

(d) What is meant by tax denial?

(e) Name any two prominent neo-classical economists.

(f) Cite any two examples of club goods.

(Continued)

(g) What is meant by public expenditure?

(h) What does canon of neutrality of public expenditure mean?

(i) Which Article of the Indian Constitution lays down the provision to share net proceeds of income tax levied and collected by the Union with the States?

(j) Which Article of the Indian Constitution lays down the provisions for the establishment of the Finance Commission?

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