

2022

ECONOMICS

(Honours)

Paper : VI - A & B

[New Syllabus]

Full Marks : 100

Time : Four Hours

*The figures in the margin indicate full marks.
Candidates are required to give their answers
in their own words as far as practicable.*

Paper : VI - A

(Marks : 20)

Choose the correct answer.

Each question carries 2 marks.

1. According to Ricardo, the cause of comparative differences was
 - (A) Technological Differences
 - (B) Profit Differences
 - (C) Difference in labour cost of production
 - (D) None of the above
2. If the 'terms of trade' settles close to the pre-trade price ratio of country A, then
 - (A) The share of country A in total gains from trade is greater than that of country B
 - (B) The share of country B in total gains from trade is greater than that of country A
 - (C) The share of the two countries is equal
 - (D) None of the above

[P.T.O.]

3. According to Rybczynski theorem, at constant commodity prices, increase in the endowment of one factor will increase the output of the commodity intensive in that factor by a
 - (A) greater proportion
 - (B) Smaller proportion
 - (C) Equal proportion
 - (D) Zero proportion

4. Which of the following is not included in the current account of the balance of payments :
 - (A) Visible transactions
 - (B) Invisible transactions
 - (C) Unilateral transfers
 - (D) Short-term loan taken

5. The main objective of Quota is to
 - (A) Increase the national income
 - (B) Increase the flow of foreign capital
 - (C) Improve the position of the country in external trade
 - (D) Check inflow of foreign finished product

6. Incase of public goods, if amount is increased, AC tends to
 - (A) Decrease
 - (B) Increase
 - (C) Indeterminate
 - (C) Remain constant

7. Impact of consumption on other people in the society is called
 - (A) Redundancy
 - (B) Externality
 - (C) Free rider
 - (D) None of the above

8. Match List I with List II

List I

- (i) Public Goods
- (ii) Quasi Public
- (iii) Private Goods

List II

- (A) Education
- (B) Defence
- (C) Food grains

(A) (i) - (A), (ii) - (B), (iii) - (C)

(B) (i) - (A), (ii) - (c), (iii) - (B)

(C) (i) - (B), (ii) - (A), (iii) - (C)

(D) (i) - (C), (ii) - (B), (iii) - (A)

9. Non-rivalness in consumption is the characteristic of

- (A) Pure private good
- (B) Pure public good
- (C) Both private and public goods
- (D) Interior good

10. Ad-valorem tax is a tax on

- (A) Value
 - (B) Value Added
 - (C) Quantity
 - (D) None of the above
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Paper : VI - B

Group : A

(International Trade)

(Marks : 80)

Section - I

[Short Essay Type Questions]

Answer any *two* questions from the following. 10×2=20

1. (a) Numerically illustrate the causes of international trade proposed by Adam Smith.
(b) What are the main draw backs of this theory ? 7+3
2. (a) Why the offer curves are called 'reciprocal demand curve' ?
(b) How elasticity of export and import can be measured from the offer curve ? 5+5=10
3. (a) Distinguish between 'free trade' and 'protection'.
(b) Discuss the arguments in favour of protection. 3+7
4. State the functions of IMF. 10

Section - II

[Essay Type Questions]

Answer any *one* question from the following. 20×1=20

5. (a) Distinguish between Balance of Payment and Balance of Trade.
(b) Balance of Payment is always in balance — Explain.
(c) State the causes of disequilibrium of Balance of Payments. Suggest some measures to correct the disequilibrium. 5+5+10=20

[P.T.O.]

6. (a) What are the assumptions of the Ricardian theory of comparative cost advantage ?
(b) With a suitable illustration explain the law of Comparative Cost Advantage.
(c) Illustrate a situation when does the comparative advantage theory is not validated as per Leontief. 7+6+7=20

Group B

(Public Finance)

(Marks : 80)

Section - I

[Short Essay Type Questions]

Answer any *two* questions from the following. 10×2=20

7. Write the distinction between pure private good and pure public good. 10
8. Discuss the problems confronting the Government in determining optimal prices of public goods. 10
9. Discuss the merits and demerits of indirect tax. 10
10. Write a short note on Balanced Budget Multiplier. 10

Section - II

[Essay Type Questions]

Answer any *one* question from the following. 20×1=20

11. (a) Distinguish between internally held public debt and externally held public debt.
(b) Explain the consequences of rapid rise of public debt of an economy.
(c) Suggest some measures to reduce the burden of public debt. 6+8+6=20

[P.T.O.]

12. (a) Define Revenue Deficit, Fiscal Deficit and Primary deficit.
- (b) Explain the importance of these deficits in understanding the healths of the Govt. Finance.
- (c) Explain the effect of public Expenditure on production and distribution of income.

(4+3+3)+5+5
