

ECONOMICS

Paper-II

Time: 3 Hours

Full Marks: 100

Instructions : (1) Answer any **five** questions.

(2) The figures in the right-hand margin indicate full marks for the questions.

1. (a) Explain how the equilibrium of the consumer is derived under the indifference curve analysis. 10
- (b) Using the indifference curve technique, disintegrate the price effect into the substitution effect and income effect. 7
- (c) Discuss the variation of the two effects with respect to inferior and giffen goods. 3
2. (a) Derive the equilibrium of a firm under perfect competition in the short and the long run. 10
- (b) Compare Perfect Competition with Monopoly with respect to —
 - (i) assumptions;
 - (ii) behavioral rules of the firm;
 - (iii) equilibrium of the firm and industry. 10
3. (a) Write short notes on : 5+5= 10
 - (i) Gross domestic product (at market price and factor cost)
 - (ii) Gross national product and Net national product
- (b) Describe the three methods of computing the national income indicating the components that are incorporated in the estimations. 10
4. (a) Describe the Keynesian Theory of Employment. How is this theory a departure from the Classical Theory of Employment? 10
- (b) Discuss how the State can use fiscal and monetary policies to correct excess and deficit demand. 10
5. (a) Describe the structure of a standard public budget with the help of a flow chart. Highlight the significance rationale of each head and their components. 10

(b) Define the following concepts and discuss their significance : 2½×4=10

- (i) Revenue Deficit
- (ii) Fiscal Deficit
- (iii) Primary Deficit
- (iv) Effective Revenue Deficit

6. (a) Discuss Pearson's coefficient of correlation with reference to its —

- (i) formula;
- (ii) assumptions;
- (iii) interpretations of the coefficient values. 10

(b) Calculate Karl Pearson's coefficient of correlation from the following data and interpret its value : 10

Roll No.	1	2	3	4	5	6
Economics	42	46	58	57	64	21
Statistics	39	47	50	61	70	25

7. Discuss the main agreements under World Trade Organization and India's commitments to them. Analyze the benefits of the WTO regime for India and also its adverse effects. 10+10

8. Write short notes on the interventions of the Union Government to resolve the following issues of the Indian economy : 5+5+5+5=20

- (a) Rural Unemployment and Poverty
- (b) Universalization of Elementary Education
- (c) Food Security
- (d) Health Care to Rural India