

# ARUNACHAL PRADESH PUBLIC SERVICE COMMISSION

## Subject: - ECONOMICS

Time: 3 (three) hours

Full Marks: 100

(Group A is compulsory. Attempt any FOUR questions from Group- B)

### **GROUP-A** **(Compulsory Group)**

**Q.1.** Attempt any 10 (ten)

**(10x2=20)**

- a) What do you mean by Cobb-Douglas production function?
- b) Explain Euler's theorem?
- c) Define Primary deficit?
- d) What do you mean by Classical dichotomy?
- e) Distinguish between Returns to scale and Returns to factor?
- f) What do you mean by Pareto optimality?
- g) Write a note on purchasing power parity.
- h) Distinguish between fixed cost and variable cost.
- i) Distinguish between current account and capital account.
- j) What is the role of multiplier in an open economy?
- k) Explain Spearman's rank correlation method.
- l) What do you mean by disguised unemployment?

### **GROUP-B**

**(Answer any Four.)**

**Q.2.** Answer any 4 (four) of the following questions.

**(4x5=20)**

- a) Explain the meaning of zero based budgeting.
- b) Distinguish between balanced and unbalanced growth theory
- c) What is Fischer's index number?
- d) What is the reason behind the absence of supply curve in Monopoly?
- e) What do you mean by sampling error?
- f) Specifying its determinants explain Keynesian theory of Employment.

**Q.3.** Answer any 4 (four) of the following questions.

**(4x5=20)**

- a) Explain the meaning of Foreign exchange market.
- b) What are the measures of Economic development?
- c) Write a brief note on Lewis theory of Development.
- d) Explain the concept of Demographic dividend.
- e) Write a short note on Classical dichotomy.

**Q.4.** Answer any 4 (four) of the following questions.

**(4x5=20)**

- a) Explain the kinked demand curve model.
- b) Define effective demand.
- c) Explain the compensation theory given by Kaldor.
- d) Explain the CES production function.
- e) Explain the different measures of central tendency.

**Q.5.** Explain the basic features of economy of North East India.

**(20)**

**Q.6.** Differentiate between the terms liberalization, privatization and globalization. What are the opportunities and threats of Globalization for a developing country like India?

**(20)**

**Q.7.** Explain main provisions of the WTO agreements relating to agricultural sector of India.

**(20)**