

<b>CSM – 22/17</b>
<b>Economics</b>
<b>Paper – I</b>

*Time : 3 hours*

*Full Marks : 300*

*The figures in the right-hand margin indicate marks.*

*Candidates should attempt Q. No. 1 from Section – A and Q. No. 5 from Section – B which are compulsory and any **three** of the remaining questions selecting at least **one** from each Section.*

**SECTION – A**

1. Answer any **three** of the following in about **200** words each : 20×3 = 60
  - (a) Illustrate how Nash equilibrium provides a solution to the problem of strategic interdependence among the firms in an oligopolistic market.
  - (b) Analyse that liquidity preference is neither necessary nor sufficient for the existence of involuntary unemployment in Keynesian system.

- (c) Derive money multiplier when a part of money supply is exogenous and the other part is endogenous.
- (d) What are the salient features of 'inclusive growth' ? Has India been experiencing such a growth process ?
2. Explain the fiscal and monetary policies of economic stabilisation. Write a comparative analysis of their effectiveness in developed and developing economy. 60
3. Critically observe the effects of quota and tariffs on terms of trade. Argue the benefit of quota over tariffs in the present scenario. 60
4. What do you mean by 'green accounting' ? Discuss how this concept can be incorporated in national income accounting. 60

### SECTION – B

5. Answer any **three** of the following in about **200** words each : 20×3 = 60
- (a) Critically analyse the impact of Agreement on Agriculture in WTO on India's Food Security Act, 2013.

- (b) Explain the Paradox of thrift.
  - (c) Differentiate between complete, partial and zero crowding out effect of given increase in government expenditure in an economy.
  - (d) Explain repo rate and reverse repo rate. How do changes in the repo rate affect EMI of borrowers ?
6. "Pareto optimal allocation is contingent upon the assumption that there are no external effects on consumption and production." Examine what happens if there are external effects. 60
7. Elucidate, in what way Kaldor's model of income distribution is basically a Keynesian theory. 60
8. How do depreciation and appreciation in the external value of a currency impact a country's balance of payments ? 60



