

**SECOND SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, APRIL 2022**

April 2021 Session for SDE/Private Students

(CBCSS)

Economics

ECO 2C 08—QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS—II

(2019 Admission onwards)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes

Total No. of Questions : 20

Maximum : 5 Weightage

INSTRUCTIONS TO THE CANDIDATE

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2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
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ECO 2C 08—QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS—II

(Multiple Choice Questions for SDE Candidates)

1. Statistics branches include :
 - (A) Applied Statistics.
 - (B) Mathematical Statistics.
 - (C) Industry Statistics.
 - (D) Both (A) and (B).
2. Individual respondents, focus groups, and panels of respondents are categorised as :
 - (A) Primary Data Sources.
 - (B) Secondary Data Sources.
 - (C) Itemised Data Sources.
 - (D) Pointed Data Sources.
3. Graphical and numerical methods are specialized processes utilised in :
 - (A) Education Statistics.
 - (B) Descriptive Statistics.
 - (C) Business Statistics.
 - (D) Social Statistics.
4. Review of performance appraisal, labour turnover rates, planning of incentives and training programs and are examples of :
 - (A) Statistics in Production.
 - (B) Statistics in Marketing.
 - (C) Statistics in Finance.
 - (D) Statistics in Personnel Management.
5. In a binomial distribution, $n = 5$ mean equals 2, what is the value of q ?
 - (A) 40.
 - (B) 50.
 - (C) 60.
 - (D) 70.
6. In a binomial distribution $n = 4$ and $P = .5$ what is the mean value ?
 - (A) 2.
 - (B) 1.
 - (C) 3.
 - (D) .5.
7. What is true for a poison Distribution ?
 - (A) Mean = Variance.
 - (B) Mean > variance.
 - (C) Mean < variance.
 - (D) Mean \leq variance.

8. Any hypothesis, which are tested for the purpose of rejection under the assumption that it is true, is called :
- (A) Null hypothesis. (B) Alternative hypothesis.
(C) Statistical hypothesis. (D) Composite hypothesis.
9. Any statement whose validity is tested based on a sample is called :
- (A) Null hypothesis. (B) Alternative hypothesis.
(C) Statistical hypothesis. (D) Simple hypothesis.
10. The alternative hypothesis is also called :
- (A) Null hypothesis. (B) Statistical hypothesis.
(C) Research hypothesis. (D) Simple hypothesis.
11. The hypothesis $\mu \leq 10$ is a :
- (A) Simple hypothesis. (B) Composite hypothesis.
(C) Alternative hypothesis. (D) None of the above.
12. A hypothesis may be classified as: :
- (A) Simple. (B) Composite.
(C) Null. (D) All of the above.
13. The dividing point between the region where the null hypothesis is rejected and the region where it is not rejected is said to be :
- (A) Critical region. (B) Critical value.
(C) Acceptance region. (D) Significant region.
14. The choice of one-tailed test and two-tailed test depends upon :
- (A) Null hypothesis. (B) Alternative hypothesis.
(C) None of these. (D) Composite hypotheses.
15. Testing $H_0 : \mu = 25$ against $H_1 : \mu \neq 20$ leads to :
- (A) Two-tailed test. (B) Left-tailed test.
(C) Right-tailed test. (D) Neither (A), (B) and (C).

16. A rule or formula that provides a basis for testing a null hypothesis is called :

- (A) Test-statistic. (B) Population statistic.
(C) Both of these. (D) None of the above.

17. If H_0 is true and we reject it is called :

- (A) Type-I error. (B) Type-II error.
(C) Standard error. (D) Sampling error.

18. $1 - \alpha$ is also called :

- (A) Confidence co-efficient. (B) Power of the test.
(C) Size of the test. (D) Level of significance.

19. A null hypothesis is rejected if the value of a test statistic lies in the :

- (A) Rejection region. (B) Acceptance region.
(C) Both (A) and (B). (D) Neither (A) nor (B).

20. Level of significance α lies between :

- (A) -1 and $+1$. (B) 0 and 1 .
(C) 0 and n . (D) $-\infty$ to $+\infty$.

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ECO 2C 08—QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS—II

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

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Part A (Multiple Choice Questions)

Answer all.

Each Question carry 1/5 weightage

1. The multiplication theorem of probability is not applicable in the case of :
 - a) Exhaustive Events.
 - b) Independent events.
 - c) Dependent events.
 - d) None of these.
2. The set of elements which belong to at least one of the sets A and B is called :
 - a) Union of A and B.
 - b) Intersection of A and B.
 - c) Complements of a Set.
 - d) None of these.
3. The hypothesis is true but our test rejects it is a _____.
 - a) Type II error.
 - b) Type I error.
 - c) Either a) or b).
 - d) Neither a or b.

Turn over

30. Distinguish between continuous and discrete random variable.
31. A random sample of 10 college students has recorded the following IQ level 80, 110, 100, 111, 88, 83, 85, 98, 117, 90. Calculate and find whether the data supports the hypothesis that the population mean IQ being 100. (t for 9 df at 5% level of significance = 2.262)
32. The following contingency table shows the classification of 100 workers in a cement factory, according to the disciplinary action taken by the management and their promotional experience. Test whether disciplinary action and promotional experience they are associated :

Disciplinary Action	Promotional Experience		Total
	Promoted	Not Promoted	
Offenders	40	30	70
Non- Offenders	10	20	30
Total	50	50	100

χ^2 for 1 df at 5% level of significance is = 3.841

33. A sample of 900 is taken from a population whose SD is 15. The mean of the sample is 25. Test whether the sample has come from a population with mean 26.8.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two.

Each carries 4 weightage.

34. Briefly discuss different theoretical distributions-Normal, Binomial and Poisson distributions highlighting the specific properties of each?
35. The following data provides different treatments provided to three different plots of land. Perform a two way ANOVA to understand whether there is any significant difference between treatments and plots of land :

Plots of land	Treatment A	B	C	D
I	36	42	40	40
II	42	45	50	35
III	40	40	42	38

36. Discuss the steps involved in hypothesis testing.
37. a) Distinguish between large and small sample test.
- b) In a certain production unit, the mean measurement of some characteristic of the product occasionally shifts due to slight changes in product setting without much affecting the variability. Hence periodic checkup has been carried out so as to keep the mean and standard deviation stable. Expecting that in this production process the target value of μ is $\mu_0 = 50$ and σ is known to be 2.5. The sample measurements on a day are 43, 51, 50, 41, 53, 52, 47, 54, 51, 45, 48 and 47. The production manager will welcome any change of μ towards higher values, however, he would like to safeguard any decreasing values of μ . Formulate the null and alternate hypothesis and test the same.

(2 × 4 = 8 weightage)

SECOND SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)
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Economics

ECO 2C 07—PUBLIC FINANCE : THEORY AND PRACTICE

(2019 Admission onwards)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes

Total No. of Questions : 20

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INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20..
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ECO 2C 07—PUBLIC FINANCE : THEORY AND PRACTICE

(Multiple Choice Questions for SDE Candidates)

1. A forward-shifted tax will affect :
 - (A) Buyers more than sellers.
 - (B) Sellers more than buyers.
 - (C) Buyers and sellers equally.
 - (D) Government revenues negatively.
2. In case of deficit budget, when the deficits are covered through taxes, that budget is called :
 - (A) Unbalanced budget.
 - (B) Surplus budget.
 - (C) Balanced budget.
 - (D) None of these.
3. The ability to pay principle of taxation is logically most consistent with the normative notion of :
 - (A) Tax neutrality.
 - (B) Horizontal equity.
 - (C) Value - added taxation.
 - (D) Vertical equality.
4. Which of the following is not a direct tax ?
 - (A) Income tax.
 - (B) Wealth tax.
 - (C) Gift tax.
 - (D) Service tax.
5. Debts which have to be paid at some specific future date are known as :
 - (A) Redeemable Debts.
 - (B) Irredeemable Debts.
 - (C) Treasury.
 - (D) None of the above.
6. An empirical law to the effect of growing public expenditure was propounded by :
 - (A) Wagner.
 - (B) Peacock.
 - (C) Wiseman.
 - (D) None of these.
7. The "Tragedy of the Commons" is :
 - (A) Discovery of corruption among members of the British parliament.
 - (B) Exhaustion of resources that are collectively owned..
 - (C) Outrageous crime in a Boston public park.
 - (D) Play by Arthur Miller.

8. Public goods are those for which consumption is :
- (A) Rival. (B) Regulated.
(C) Non-rival. (D) Unregulated.
9. Education at a private university is NOT a public good because it is :
- (A) Excludable.
(B) Non-rival.
(C) Both non-rival and non-excludable.
(D) None of the above answers is correct.
10. The diffusion theory was associated with the name of :
- (A) Dalton. (B) Keynes.
(C) R. A. Musgrave. (D) Mansfield.
11. Tax revenue sharing between the federal and sub-national governments is aimed at correcting which of the following type of imbalances ?
- (A) Vertical imbalances. (B) Horizontal imbalances.
(C) Diagonal imbalances. (D) Criss-cross imbalances.
12. Expenditure incurred by the Government on building durable assets, like highways, multipurpose dams, irrigation projects are in the nature of :
- (A) Capital Expenditure. (B) Revenue Expenditure.
(C) Transfer Expenditure. (D) Unproductive Expenditure.
13. Which of the following occurs when all taxes and other revenues exceed government expenditures for a year ?
- (A) Public Debt. (B) Budget Surplus.
(C) Balanced Budget. (D) Budget Deficit.
14. The term 'Performance Budget' was coined by :
- (A) Administrative Reforms Commission of India.
(B) Second Hoover Commission of USA.
(C) Estimates Committee of India.
(D) First Hoover Commission of USA.

15. Progressive Tax System is that system in which what happens in the rate of tax if there is an increase in income :
- (A) Destruction. (B) Becomes equal.
(C) Growth. (D) Becomes unequal.
16. Unfunded debts are those debts which are paid back within _____.
- (A) Two year. (B) One year.
(C) Three year. (D) Six months.
17. Progressive taxes :
- (A) Increase government revenue.
(B) Bring equality in distribution of incomes.
(C) Act as penalty for rich people.
(D) Both (a) and (b).
18. Net taxes are :
- (A) Domestic taxes minus foreign taxes.
(B) Business taxes minus personal taxes.
(C) Total taxes minus Government transfer payments.
(D) Total taxes minus Government purchases.
19. Which of the following statements is not correct ?
- (A) The first finance commission was constituted in 1951.
(B) Chairman of the First Finance Commission was Mr. Santhanam.
(C) The Chairman of the 12th Finance Commission was C. Rangarajan.
(D) (B) and (C).
20. Horizontal equity incorporates the notion that :
- (A) Those earnings higher incomes should pay more in taxes.
(B) Those earnings equal incomes should pay same in taxes.
(C) Taxes paid should be unassociated with income levels.
(D) There should be no excess burden created by a tax.

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Part A

Answer all questions.

Each bunch of five questions carries a weightage of 1.

1. Public goods and services are :
 - (A) All goods and services paid for by government.
 - (B) Goods and services that would not be adequately provided by the market.
 - (C) Goods and services provided by publically held companies.
 - (D) Goods and services those are available to the public.
2. A multilevel decentralized fiscal system involving sharing of fiscal responsibilities between central, state and local governments is referred to as :
 - (A) Fiscal union.
 - (B) Fiscal federalism.
 - (C) Tax pooling.
 - (D) Fiscal equalisation.

Turn over

3. _____ of a tax is the first point of contact of the tax with the tax payers.
- (A) Incidence. (B) Effects.
(C) Impact. (D) Ability to pay.
4. Smoke from a factory drops ash all over your car. Government's economic function in this case is to :
- (A) Stabilize the economy.
(B) Provide public goods and services.
(C) Correct a negative externality.
(D) Maintain competition.
5. Which of the following is a measure of fiscal policy ?
- (A) CRR. (B) SLR.
(C) Public expenditure. (D) Moral suasion.
6. Which of the following tax is abolished by the Goods and Services Tax ?
- (A) Property tax. (B) Corporation tax.
(C) VAT. (D) All of the above.
7. Marginal cost of providing the public goods to additional consumers is :
- (A) One. (B) Negative.
(C) Zero. (D) Greater than one.
8. 'A Pure Theory of Local Expenditures' is the article of :
- (A) Musgrave. (B) Tiebout.
(C) Samuelson. (D) Ricardo.
9. The most important characteristic of a federation is :
- (A) Center's supremacy over States.
(B) Non- correspondence between the functions and resources of the Central and State governments.
(C) Perfect match between functions and resources of the Central and State governments.
(D) None of the above.
10. The Credit Authorisation Scheme was launched in :
- (A) 1965. (B) 1989.
(C) 1956. (D) 1998.

11. What is the result of the free rider problem ?
- (A) Public goods are underprovided.
 - (B) Public goods are overprovided.
 - (C) Public goods are arbitrarily priced.
 - (D) People who should pay for public goods get them for free.
12. According to demand and supply theory of tax shifting, the share of the tax borne by the buyer will be the larger according as the elasticity of supply is ———.
- (A) Smaller.
 - (B) Zero.
 - (C) Larger.
 - (D) One.
13. Which is not the characteristic of a tax ?
- (A) Compulsory.
 - (B) Non- compulsory.
 - (C) No quid pro quo.
 - (D) Punishment to tax evader.
14. According to Samuelson pure public good is :
- (A) Club goods.
 - (B) Quasi public goods.
 - (C) Collective consumption goods.
 - (D) Common pool goods.
15. The horizontal fiscal imbalance that arises in a fiscal federation is also called :
- (A) Problem of economy.
 - (B) Problem of effectiveness.
 - (C) Problem of efficiency.
 - (D) Problem of Equalisation.

(15 × 1/5 = 3 weightage)

Part B (Very Short Answer Questions)

Answer any five questions.

Each question carries a weightage of 1.

16. What is club goods ?
17. What is tiebout hypothesis ?
18. Briefly explain shifting of tax.
19. State progressive tax.
20. Discuss fiscal deficit.

Turn over

21. What do you mean by vertical imbalance ?
22. Explain general equilibrium analysis of tax.
23. Define Pigouvian subsidy.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any seven questions.

Each question carries a weightage of 2.

24. Analyse the latest union budget
25. Examine GST in India.
26. Briefly explain the 15th Finance Commission report.
27. Discuss horizontal imbalance.
28. Analyse Domar stability condition.
29. What do you mean by fiscal decentralization ?
30. Discuss public choice theory.
31. Write a short note on federal finance.
32. Analyse FRBM Act.
33. Write a short note on balanced budget multiplier.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries a weightage of 4.

34. Analyse the trends and sources of revenue in the union, state and local bodies in India.
35. Critically evaluate the theory of intergovernmental transfers.
36. Explain debt burden and inter-generational equity.
37. Discuss the role of government in a national economy.

(2 × 4 = 8 weightage)

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ECO 2C 06—MACRO ECONOMICS : THEORIES AND POLICIES—II

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ECO 2C 06—MACRO ECONOMICS : THEORIES AND POLICIES—II

(Multiple Choice Questions for SDE Candidates)

1. The concepts of inside money and outside money is given by :
 - (A) Milton Friedman.
 - (B) J. M. Keynes.
 - (C) Gurley and Shaw.
 - (D) None of these.
2. “Interest is poorly a monetary phenomenon “is a very famous statement made by :
 - (A) J. M. Keynes.
 - (B) Hamilton.
 - (C) Friedman.
 - (D) J. B. Say.
3. Laffer curve links :
 - (A) Inflation and unemployment.
 - (B) Tax revenue and tax rate.
 - (C) Output and unemployment.
 - (D) Inflation and interest rate.
4. The Neo-Keynesian quantity constrained model is associated with the work of :
 - (A) Robert J Barro.
 - (B) Robert M Clower.
 - (C) Leonwalrs.
 - (D) None of these.
5. Consider the following statements :
 1. Natural unemployment hypothesis is based on rational expectation.
 2. New Classical Economics based on Adaptive Expectation.

Which one of the following is correct among the following options ?

- (A) 1 alone is correct.
 - (B) 2 alone is correct.
 - (C) 1 and 2 correct.
 - (D) Neither 1 nor 2 correct.
6. Gregory Mankiw belongs to :
 - (A) New Keynesian Economics.
 - (B) New Classical Economics.
 - (C) Supply Side economics.
 - (D) None of these.
7. According to New Classical Economics Philips curve is :
 - (A) Always vertical.
 - (B) Always horizontal.
 - (C) Always downward slopping.
 - (D) Downward slopping in short run and vertical in the long run.

8. According to Milton Friedman Theory of permanent component of consumption-expenditure depends on :
- I) Transitory income alone. II) Transitory and permanent income.
III) Permanent income alone. IV) Windfall gains.
- Codes :
- (A) I and II are correct. (B) I and III are correct.
(C) II and IV are correct. (D) Only III is correct.
9. In Classical system how to correct an overproduction or glut in the market ?
- (A) By increasing price of input. (B) By wage cut policy.
(C) By price cut policy. (D) By decreasing production.
10. Under perfect competition firm hire labour until :
- (A) Money wage rate > General Price level.
(B) Money wage rate < General Price level.
(C) Money wage rate = General Price level.
(D) Both (A) and (C).
11. Which of the following is not specifically mentioned as a determinant of the demand for money ?
- (A) Wealth. (B) Nominal yield on alternative assets.
(C) Inflation rate. (D) Real rate of interest.
12. Identify the correct chronological order of the following classical economists :
- (A) Adam Smith, Malthus, Ricardo, Mill.
(B) Adam Smith, Ricardo, Malthus, Mill.
(C) Adam Smith, Mill, Ricardo, Malthus.
(D) Adam Smith, Malthus, Mill, Ricardo.
13. Why does a temporary decrease in government purchases decrease labour supply in the classical model ?
- (A) People prefer to work less when government is doing less for them.
(B) Decreased government purchases make people worse off, so they work less hours.
(C) The decrease in current or future taxes needed to pay for the decrease in government purchases increases people wealth.
(D) The fall in government spending decreases labour demand, decreasing the real wage, and so people decreases their labour supply.

14. The purpose of Keynesian analysis is to explain what determines the :
- (A) Size of the labor force
 - (B) Price level.
 - (C) Amount of money required in the economy.
 - (D) Levels of national income, output and employment.
15. A decrease in expected future income, _____ consumption expenditure and _____ saving.
- (A) Increases : increases. (B) Increases : decreases.
 - (C) Decreases : increases. (D) Decreases : decreases.
16. According to monetarists, money supply constitutes :
- (A) Currency + demand deposits.
 - (B) Currency + demand deposits + time deposits.
 - (C) Currency + demand deposits + equity shares.
 - (D) Currency + all kinds of banks + deposits with other institutions + borrowing.
17. The economist, who proposed that, "inflation is always and every where monetary phenomenon" was :
- (A) J. M. Keynes. (B) John R Hicks.
 - (C) Milton Friedman. (D) Franco Modigliani.
18. When there are vacancies in the job-market, but also high levels of unemployment, then we could say that this unemployment is ?
- (A) Cyclical. (B) Regional.
 - (C) Seasonal. (D) Structural.
19. According to the basic classical model, an increase in the money supply will cause :
- (A) Employment to increase. (B) The price level to increase.
 - (C) Output to increase. (D) Investment to increase.
20. Why does a temporary decrease in government purchases decrease labour supply in the classical model ?
- (A) The fall in government spending decreases labour demand, decreasing the real wage, and so people decrease their labour supply.
 - (B) The decrease in current or future taxes needed to pay for the decrease in government purchases increases people's wealth.
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Part A (Multiple Choice Questions)

Answer all questions.

Each question carries 1/5 weightage.

- The economic agents form expectations of the future values of economic variables like prices, income etc. by using all the economic information available to them, is the idea behind :
 - Adaptive expectation.
 - Rational expectations.
 - Both (a) and (b).
 - None of these.
- The bottom level unemployment that an economy can handle without causing inflation :
 - Natural Rate of unemployment.
 - NAIRU.
 - Disguised unemployment.
 - Involuntary unemployment.
- When the deficit on current account is persistent, then the domestic country is :
 - Acquiring foreign assets.
 - Selling foreign assets.
 - Quit from international market.
 - None of the above.

Turn over

4. An effective macroeconomic policy according to Keynes is :
- a) Fiscal Policy.
 - b) Monetary Policy.
 - c) Both fiscal and monetary policy.
 - d) Neither fiscal nor monetary policy.
5. The terms 'inside' money and 'outside' money were introduced by :
- a) Milton Friedman and J. Tobin.
 - b) A. C. Pigou and D. Patinkin.
 - c) J. G. Gurley and E. S. Shaw.
 - d) J. R. Hicks and A. Hansen.
6. The Real GNP increases, *ceteris paribus*, when there is :
- a) An increase in the price level.
 - b) An increase in the output.
 - c) An increase in price level and / or output.
 - d) All of the above.
7. The Re-statement of Quantity Theory of Money is a :
- a) Theory of interest rate.
 - b) Theory of income determination.
 - c) Theory of demand for money.
 - d) Theory of supply of money.
8. Say's law will not operate under conditions of :
- a) Barter economy.
 - b) Money economy.
 - c) Equality of saving and investment.
 - d) Inflexible wages and prices.
9. Liquidity trap is a situation when demand for money is :
- a) Zero elastic.
 - b) Unit elastic.
 - c) Perfectly elastic.
 - d) Relatively more elastic.
10. The size of the Money Multiplier is larger, when :
- a) Less interest elastic is demand for money.
 - b) More interest elastic is demand for investment.
 - c) Both (a) and (b) True.
 - d) Neither (a) nor (b) True.

22. Distinguish the opportunistic and partisan model.
23. What is meant by political business cycles ?

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any seven questions.

Each question carries 2 weightage.

24. Examine Nordhaus opportunistic model ?
25. Explain monetarist approach to inflation.
26. Describe the Kaldor's theory of business cycle.
27. Bring out the role of Government in maintaining economic stability.
28. Explain the policy implications of classical equilibrium model.
29. Briefly describe the highlights of classical revolution.
30. Explain the features of supply side economics ?
31. Explain Hibbs Partisan model.
32. Describe inflation unemployment trade-off.
33. Firms are hesitant to change their prices until there is a sufficient disparity between the firm's current price and the equilibrium market price". Elucidate.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries 4 weightage.

34. Critically evaluate the policy implications of politico-economic models.
35. Examine the recent advances in macroeconomics in the analysis of inflation-unemployment trade-off.
36. Critically examine Friedman's re-statement of quantity theory of money.
37. Critically examine the policy implications of the Classical Equilibrium model.

(2 × 4 = 8 weightage)

**SECOND SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, APRIL 2022**

April 2021 Session for SDE/Private Students

(CBCSS)

Economics

ECO 2C 05—MICRO ECONOMICS : THEORY AND APPLICATIONS—II

(2019 Admission onwards)

(Multiple Choice Questions for SDE Candidates)

Time : 15 Minutes

Total No. of Questions : 20

Maximum : 5 Weightage

INSTRUCTIONS TO THE CANDIDATE

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

ECO 2C 05—MICRO ECONOMICS : THEORY AND APPLICATIONS—II

(Multiple Choice Questions for SDE Candidates)

1. Points outside the production possibility frontier are :
 - (A) Producible.
 - (B) Endowment points.
 - (C) Consumer equilibrium points.
 - (D) Unattainable.
2. The marginal rate of substitution is :
 - (A) The slope of the Pareto curve.
 - (B) The slope of the contract curve.
 - (C) The slope of the utility possibilities curve.
 - (D) The slope of the indifference curve.
3. Points on the utility possibility frontier are :
 - (A) Inefficient.
 - (B) Points of incomplete preferences.
 - (C) Not producible.
 - (D) Pareto efficient.
4. A Piouvian subsidy :
 - (A) Cannot exist with externalities.
 - (B) Is the same thing as a Pigouvian tax.
 - (C) Is measured in terms of Pigouvian dollars.
 - (D) Moves production to the socially optimal level of output.
5. In a public goods context, it is difficult to measure impact on real income because :
 - (A) Public goods are generally free to the public.
 - (B) They make up a small percentage of total GDP.
 - (C) It is hard to measure how people value the public good.
 - (D) Inflation decreases the value of the good.
6. Impossibility theorem was propounded by :
 - (A) Hicks.
 - (B) Arrow.
 - (C) Kaldor.
 - (D) Scitovsky.

7. According to a required reading by P.J. O'Rourke, which of the following statements is false ?
- (A) The pesticide DDT may have done more good than harm in some countries before it was banned.
 - (B) Despite their other problems, Eastern European countries did a good job protecting the environment during the Communist era.
 - (C) The costs of environmental regulation exceed their benefits.
 - (D) Recycling is an economically inefficient way of reducing the human impact on the environment.
8. The accelerator principle states :
- (A) If an increase in the growth of output is expected, investment will increase.
 - (B) If an increase in investment is expected, output will increase.
 - (C) If an increase in the growth of investment is expected, output will increase.
 - (D) Small swings in investment are associated with large swings of output.
9. In drilling a new oil well in an existing oil field, the fact that output on existing wells is reduced means that :
- (A) Existing wells have negatively sloped marginal cost curves.
 - (B) Existing wells and new wells are owned by different people.
 - (C) Existing wells and new wells are owned by the same people.
 - (D) There is a discrepancy between private and social marginal costs.
10. Which of the following statements is NOT true ?
- In the free market changes in the price of a product :
- (A) Can act as a signal to producers.
 - (B) Can provide an incentive to reallocate resources.
 - (C) Can act as a rationing device.
 - (D) Are set by the government.
11. A public good will probably :
- (A) Be expensive in a free market.
 - (B) Be overprovided in the free market.
 - (C) Not be provided in the free market.
 - (D) Has no opportunity cost.
12. The government can address by providing universal health insurance coverage and charging uniform premiums :
- (A) Expected utility.
 - (B) Asymmetric information.
 - (C) Commodity egalitarianism.
 - (D) Adverse selection.

13. Suppose that you have complete health insurance that covers all expenses. You will use medical care up to the point where your :
- (A) Total benefits equal the costs of providing the medical care.
 - (B) Marginal benefit is zero.
 - (C) Marginal benefit is equal to the marginal cost of the medical care.
 - (D) Marginal benefit is equal to the total costs of providing the medical care.
14. Adverse selection can occur when :
- (A) All persons involved in a transaction have full information.
 - (B) One person has information not available to others.
 - (C) Post-agreement incentives result in workers shirking.
 - (D) Nobody has any information about a particular product.
15. Adverse selection in competitive insurance markets harms :
- (A) High risk individuals.
 - (B) Low risk individuals.
 - (C) Owners of insurance companies.
 - (D) Everyone.
16. In volatile markets, “speculators” would be expected to provide some stability because :
- (A) They will be required to do so by the government.
 - (B) They will use current price moves to predict future moves.
 - (C) They will buy when price is below equilibrium and sell when it is above equilibrium.
 - (D) They will buy when price is above equilibrium and sell when it is below equilibrium.
17. The standard economic model assumes people are :
- (A) Kind.
 - (B) Boundedly rational.
 - (C) Fair.
 - (D) Selfish.
18. Diversifiable risk can be eliminated by :
- (A) Investing in many projects.
 - (B) By holding the stocks of many companies.
 - (C) Both (A) and (B).
 - (D) None of them.
19. The sum of forgone interest and depreciation costs the machine’s owner must pay is the :
- (A) Competitive rental rate.
 - (B) Capital asset pricing.
 - (C) Risk premium.
 - (D) All of the above.
20. The set of all Pareto efficient allocations in an Edgeworth box diagram is called the :
- (A) Indifference curve.
 - (B) Contract curve.
 - (C) Production possibility curve.
 - (D) Edgeworth box.

**SECOND SEMESTER M.A. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, APRIL 2022**

April 2021 Session for SDE/Private Students

(CBCSS)

Economics

ECO 2C 05—MICRO ECONOMICS : THEORY AND APPLICATIONS—II

(2019 Admission onwards)

Time : Three Hours

Maximum : 30 Weightage

General Instructions

Covid Instructions are not applicable for Pvt/SDE students

- In cases where choices are provided, students can attend all questions in each section.*
- The minimum number of questions to be attended from the Section/Part shall remain the same.*
- The instruction if any, to attend a minimum number of questions from each sub section/sub part/sub division may be ignored.*
- There will be an overall ceiling for each Section/Part that is equivalent to the maximum weightage of the Section/Part.*

Part A

Answer all questions.

Each bunch of five questions carries a weightage of 1.

- The study of the behaviour of individual decision-making units and all individual markets simultaneously are called :
 - Partial equilibrium analysis.
 - General equilibrium analysis.
 - Comparative analysis.
 - None of these.
- The condition of Pareto Optimality holds correct under :
 - Oligopoly.
 - Monopoly.
 - Perfect competition.
 - Bilateral monopoly.
- The Market for Lemons is attributed with :
 - George A Akerlof.
 - Michael Spence.
 - Kenneth Arrow.
 - Charles Tiebout.

Turn over

4. Which of the following makes the adverse selection problem in the health insurance market worse ?
- A) Charging high premiums for insurance coverage.
 - B) Refusing to offer insurance policies to certain people.
 - C) Requesting a medical examination for new applicants.
 - D) All of the above.
5. Each of the following provides incentives to reduce a negative externality except :
- A) A merger with affected firms.
 - B) Subsidising consumption of the goods being produced.
 - C) Bargaining among firms.
 - D) Taxation of the externality.
6. What is the impact of adverse selection on economic efficiency in a market ?
- A) Adverse selection will increase economic efficiency.
 - B) Adverse selection will reduce economic efficiency.
 - C) Adverse selection does not have any impact on economic efficiency in a market.
 - D) Consumer wants will shift toward the goods left in the market.
7. A market failure can best be defined as a situation where :
- A) Markets fail to allocate resources efficiently.
 - B) Markets encourage people to take risks.
 - C) Markets fail to enable sellers to make profits.
 - D) Markets enable buyers to gain utility.
8. The inconsistency of which one of the following criteria is labelled as Scitovsky Paradox ?
- A) Little criterion.
 - B) Pareto criterion.
 - C) Bergson criterion.
 - D) Kaldor- Hicks criterion.
9. The prices that support an efficient allocation of the public good are known as :
- A) Lindahl prices.
 - B) Efficient prices.
 - C) Emission prices.
 - D) Coase prices.

20. Examine efficiency wage theory.
21. What do you mean by pollution tax ?
22. Explain moral hazards.
23. Define welfare economics.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any seven questions.

Each question carries a weightage of 2.

24. Write the implications of asymmetric information.
25. Examine the general equilibrium in perfectly competitive conditions.
26. Critically evaluate Arrows Impossibility theorem.
27. 'Information asymmetry leads to market failure'. Substantiate your answer.
28. Analyse behavioural economics.
29. What do you mean by loss aversion ?
30. Discuss Coasian bargaining solution.
31. Distinguish between real interest rates and nominal interest rates.
32. Analyse Lindahls equilibrium.
33. Write a short note on net present value criterion.

(7 × 2 = 14 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries a weightage of 4.

34. Analyse the Rawls theory of social justice.
35. Critically evaluate the Kaldor Hicks Compensation criteria.
36. Demonstrate the major factors determine intertemporal choice in investment.
37. How can we internalize the externalities of public goods ?

(2 × 4 = 8 weightage)

SECOND SEMESTER M.A. DEGREE (SUPPLEMENTARY) EXAMINATION
APRIL 2022

(CUCSS)

Economics

EC 02 C08—QUANTITATIVE METHODS FOR ECONOMIC ANALYSIS—II

(2015 to 2018 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A*Answer all questions.**Each bunch of four questions carries a weightage of 1.*

1. The parameters of a binomial random variable with mean 4 and variance 3 are :

(a) $\left(8, \frac{1}{2}\right)$.

(b) $\left(12, \frac{1}{3}\right)$.

(c) $\left(16, \frac{1}{4}\right)$.

(d) $\left(20, \frac{1}{5}\right)$.

2. For a Poisson distribution :

(a) Mean < variance.

(b) Mean > variance.

(c) Mean = variance.

(d) None of these.

3. For a standard normal distribution, median is always :

(a) Equal to 0.

(b) Not equal to 0.

(c) Equal to 3.

(d) Not equal to 3.

4. If $X \sim N(4, 1)$, then $P(X > 4)$ is :

(a) 0.

(b) 0.25.

(c) 0.5.

(d) 1.

5. The skewness of a binomial distribution will be zero if :

(a) $p < \frac{1}{2}$.

(b) $p > \frac{1}{2}$.

(c) $p = \frac{1}{2}$.

(d) $p < q$.

Turn over

6. The statistical measure of the population values is called :
- (a) Statistic. (b) Parameter.
(c) Estimator. (d) Estimate.
7. Square of a standard normal variate will follow :
- (a) χ^2 distribution. (b) t distribution.
(c) F distribution. (d) Normal distribution.
8. The distribution used for testing the equality of several means is :
- (a) Normal distribution. (b) t distribution.
(c) F distribution. (d) χ^2 distribution.
9. If the statistic t is an unbiased estimator of the parameter θ and its variance tends to zero as the sample size $n \rightarrow \infty$, then t is a _____ estimator.
- (a) Sufficient. (b) Consistent.
(c) Efficient. (d) Likelihood.
10. Which of the following hypothesis shows a right tailed test ?
- (a) $H_0 : \mu = \mu_0$. (b) $H_0 : \mu \neq \mu_0$.
(c) $H_0 : \mu < \mu_0$. (d) $H_0 : \mu > \mu_0$.
11. The standard error of mean of a random sample of size n from a normal population with variance σ^2 is :
- (a) $\frac{\sigma}{n}$. (b) $\frac{\sigma^2}{n}$.
(c) $\frac{\sigma}{\sqrt{n}}$. (d) $\frac{\sigma^2}{\sqrt{n}}$.
12. Level of significance is related to :
- (a) Type I error. (b) Type II error.
(c) Power. (d) Standard error.

Part B (Very Short Answer Questions)

Answer any five questions.

Each question carries a weightage of 1.

13. Define binomial distribution.
14. Define lognormal distribution.
15. If Z is a standard normal variate, find $P(0.87 < Z < 1.28)$.
16. Define sampling distribution.
17. State central limit theorem.
18. Define confidence interval.
19. Define null hypothesis.
20. What are the basic assumptions of ANOVA ?

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any eight questions.

Each question carries a weightage of 2.

21. Give the physical conditions for which binomial distribution can be applied.
22. For two independent Poisson variables, sum of their variances is 10. Find the probability that their sum is zero.
23. An urn contains 7 white and 3 red balls. Two balls are drawn together, at random from this urn. Calculate the expected number of white balls drawn.
24. Explain the properties of normal distribution.
25. The income distribution of workers in a certain factory was found to be normal with mean 500 and standard deviation 50. There were 228 workers getting more than Rs.600. How many workers were there in all?
26. Explain the important applications of lognormal distribution in Economics.
27. Discuss the desirable properties of a good estimator.
28. Obtain a 95% confidence interval for the mean of a normal population with standard deviation 3 based on 16 sample observations taken from this population where the sample mean was calculated as 10.5.

Turn over

29. A sample of 900 items produced by a company is found to have a mean weight of 3.4 kg and standard deviation 2.61. Test whether the sample is from a population with mean weight 3.25 kg at 1% level of significance.
30. In a die throwing experiment the throw of 4 or 6 is considered as a success. Suppose 9000 times the die was thrown and resulted in 3240 successes. Is the data support the claim that the die is unbiased ?
31. Test whether the accidents occur uniformly over week days on the basis of the following information :

Day of the week	Sun	Mon	Tue	Wed	Thu	Fri	Sat
No. of accidents	11	13	14	13	15	14	18

(8 × 2 = 16 weightage)

Part D (Essay Questions)

Answer any **three** questions.

Each question carries a weightage of 4.

32. Explain the technique of analysis of variance for one-way classification.
33. Prices of shares of a company on different days in a month were found to be 66, 65, 69, 70, 69, 71, 70, 63, 64 and 68. Discuss whether the mean price of the shares in the month is 65.
34. Out of 800 persons, 25% were literate and 300 had travelled beyond the limits of their district. 40% of the literates were among those who had not travelled. Prepare a 2 x 2 contingency table and test at 5% level whether there is any relation between traveling and literacy.
35. The distribution of typing mistakes committed by a typist is given below. Fit a Poisson distribution for this data :

Mistakes per page	0	1	2	3	4	5
No. of pages	142	156	69	27	5	1

36. The table below gives the yield in four blocks of land for four varieties of paddy :

Variety	Blocks			
	(1)	(2)	(3)	(4)
A	16	15	17	20
B	12	20	22	18
C	14	18	15	21
D	11	15	12	19

Perform analysis of variance and draw your conclusions.

(3 × 4 = 12 weightage)

**SECOND SEMESTER M.A. DEGREE (SUPPLEMENTARY) EXAMINATION
APRIL 2022**

(CUCSS)

Economics

EC 02 C07—PUBLIC FINANCE : THEORY AND PRACTICE

(2015 to 2018 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all questions.

Each bunch of four questions carries a weightage of 1.

Multiple Choices :

1. Incidence of a tax refers to the _____ burden of tax:
 - (a) Initial.
 - (b) Ultimate.
 - (c) Intermediate.
 - (d) None.
2. Gadgil formula is related to :
 - (a) Distribution of plan assistance.
 - (b) Central state financial relations.
 - (c) Imposition of local tax.
 - (d) Formation of states.
3. Functional Finance concept was introduced by :
 - (a) Marx and Engels.
 - (b) J.S. Mill.
 - (c) Dalton and Pigou.
 - (d) Keynes and Lerner.
4. In India GST was introduced in the year :
 - (a) 2017.
 - (b) 2019.
 - (c) 2016.
 - (d) 2018.

Turn over

5. 14th Finance commission recommended for a _____% of tax devolution to state as a vertical transfer.
- (a) 29.5. (b) 30.
(c) 32. (d) 42.
6. Which tax better conforms to the principle of equality in taxation ?
- (a) Progressive tax. (b) Regressive tax.
(c) Proportional tax. (d) Fixed Tax.
7. The largest component of revenue expenditure in India is :
- (a) Pension. (b) Interest payments.
(c) Education. (d) Health.
8. Tax revenue sharing between federal and sub national government is aimed at correcting which of the following type of imbalances :
- (a) Vertical imbalance. (b) Horizontal imbalance.
(c) Diagonal imbalance. (d) Cross imbalance.
9. Refunding is a method of reducing :
- (a) Public revenue. (b) Public debt.
(c) Performance budget. (d) None of these.
10. Octroi is levied and collected by :
- (a) Central government. (b) State government.
(c) Local self government. (d) All the above.
11. The agriculture holding tax for the recommended by a committee headed by :
- (a) C.H. Hanumantha Rao. (b) M.L. Dantwala.
(c) R.J. Chelliah. (d) K.N. Raj.
12. A onetime tax on all wealth holders with the goal of retiring public debt is generally referred to as :
- (a) Indirect tax. (b) Capital levy.
(c) Orthodox tax. (d) Socialist tax.

Part B (Very Short Answer Questions)

Answer any five questions.

Each question carries a weightage of 1.

- 13 Deficit budget.
- 14 Tax evasion.
- 15 Merit goods.
- 16 GST.
- 17 Ad-valorem duty.
- 18 Reinvestment criteria.
- 19 Sinking fund.
- 20 FRBM act.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any eight questions.

Each question carries a weightage of 2.

- 21 Explain the concept and methods of deficit financing.
- 22 Examine Tiebout model.
- 23 Discuss Peacock Wiseman hypothesis.
- 24 Explain the principles of debt management.
- 25 Explain optimal theory of taxation.
- 26 What are the sources of public revenue?
- 27 Explain the principles of federal finance.
- 28 Explain balanced budget multiplier.
- 29 Distinguish between plan and non plan expenditure.
- 30 What are the factors affecting incidence of a tax?
- 31 What is functional finance ?

(8 × 2 = 16 weightage)

Turn over

Part D (Essay Questions)

Answer any three questions.

Each question carries a weightage of 4.

- 32 Explain the concept of taxable capacity. Discuss the factors which determine the taxable capacity of a country.
- 33 Comment on the various problems of public debt in India.
- 34 What are the principle sources of local finance ? Explain main problems encountered by local bodies in raising revenues.
- 35 Analyse the structure and growth of public expenditure in India.
- 36 Examine the problems of fiscal federalism in India.

(3 × 4 = 12 weightage)

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**SECOND SEMESTER M.A. DEGREE (SUPPLEMENTARY) EXAMINATION
APRIL 2022**

(CUCSS)

Economics

EC 02 C06—MACRO ECONOMICS : THEORIES AND POLICIES—II

(2015 to 2018 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all questions.

Each bunch of four questions carries a weightage of 1.

Multiple Choices :

1. Which of the following is likely to be most inflationary in its impact ?
 - (a) Repayment of public debt.
 - (b) Borrowings from the public to finance a budget deficit.
 - (c) Borrowings from banks to finance a budget deficit.
 - (d) Creating new money to finance a budget deficit.
2. The phenomenon of increase in money wages that leads to increases in unemployment is shown by :
 - (a) Speculative demand curve.
 - (b) Phillip's curve.
 - (c) Lorenz curve.
 - (d) None.
3. The school of thought that emphasizes the natural tendency for an economy to move toward equilibrium full employment without inflation is known as the :
 - (a) Neo-Keynesian school.
 - (b) Supply- side school.
 - (c) Classical school.
 - (d) New classical school.
4. The book 'Mr. Keynes and the Classics' is written by :
 - (a) Hicks.
 - (b) Hansen.
 - (c) Patinkin.
 - (d) Friedman.

Turn over

5. Market does not clear is a proposition of :
- (a) Neoclassical theory.
 - (b) Keynesian Economics.
 - (c) Monetarism.
 - (d) Rational expectations.
6. Monetarism is associated with :
- (a) Keynesian school.
 - (b) Chicago school.
 - (c) Cambridge school.
 - (d) Neo-Classical.
7. For the capitalist economy, the primary objective of the New Classical Economics is to explain which of the following :
- (a) Business cycle phenomenon.
 - (b) Underemployment.
 - (c) Wage - price rigidity.
 - (d) Effectiveness of Government policy.
8. The concept money illusion is firstly coined out by :
- (a) A C Pigou.
 - (b) Alfred Marshall.
 - (c) J M Keynes.
 - (d) Irving Fischer.
9. According to Mundell- Fleming model, which of the following balance refers to equilibrium in balance of payments.
- (a) Internal.
 - (b) External.
 - (c) International.
 - (d) Domestic.
10. Wages and prices do not adjust quickly to restore general equilibrium is a property of :
- (a) Classical economics.
 - (b) Keynesian economics.
 - (c) Monetary economics.
 - (d) Supply side economics.
11. Based on the sticky-price model, the short-run aggregate supply curve will be steeper, the greater the _____.
- (a) Proportion of firms with sticky prices.
 - (b) Rate proportion of firms with flexible prices.
 - (c) Target nominal-wage.
 - (d) Target real-wage rate.

12. The dynamic model of aggregate demand and aggregate supply assumes that people form expectations of inflation based on :
- Forecasts optimally using all available information.
 - Recently observed inflation.
 - The central bank's inflation target.
 - The difference between the nominal and real interest rate.

(12 × ¼ = 3 weightage)

Part B (Very Short Answer Questions)

Answer any five questions.

Each question carries a weightage of 1.

- Write a note on super multiplier.
- What is meant by inflation targeting ?
- Write a note on adaptive expectation.
- What is Keynes effect ?
- Write a note on Laffer curve.
- What is hyperinflation ?
- What is meant by policy ineffective proposition ?
- Define stagflation.

(5 × 1 = 5 weightage)

Part C (Short Answer Questions)

Answer any eight questions.

Each question carries a weightage of 2.

- Discuss the policy implications of real business cycle model.
- Explain the efficiency wage hypothesis.
- Explain the underemployment equilibrium.
- Examine the real and nominal rigidities.
- Discuss the effectiveness of monetary policy in a fixed and flexible exchange rate regime in the presence of perfect capital mobility.

Turn over

26. Examine the applicability of structuralist theory of inflation in LDCs.
27. Differentiate between wage rigidity and wage flexibility.
28. Critically examine the political business cycle theory.
29. Discuss the coordination failure and policy implications.
30. Explain the dynamic stochastic general equilibrium model.
31. What are the control measures of fluctuations in business cycle ?

(8 × 2 = 16 weightage)

Part D (Essay Questions)

Answer any three questions.

Each question carries a weightage of 4.

32. Discuss the major propositions of new classical economics on the effectiveness of aggregate demand management policies to stabilize the economy.
33. Discuss the neo-classical and Keynesian versions of labor market equilibrium.
34. Critically examine the theories of business cycle.
35. Discuss the cost of inflation and explain the different anti-inflationary measures.
36. Examine the contributions of post-Keynesians.

(3 × 4 = 12 weightage)

SECOND SEMESTER M.A. DEGREE (SUPPLEMENTARY) EXAMINATION
APRIL 2021

(CUCSS)

Economics

EC 02 C05—MICRO ECONOMICS THEORY AND APPLICATIONS—II
(2015 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

Answer all questions.

Each question carries $\frac{1}{4}$ weightage.

1. Eulers theorem is also called _____.
 - a) Product exhaustion theorem.
 - b) Adding up problem.
 - c) Both a) and b).
 - d) None.
2. Ricardian theory of distribution is based on _____.
 - a) Marginal principle.
 - b) Surplus principle.
 - c) Both a) and b).
 - d) None.
3. "Social choice and individual value" was formulated by _____.
 - a) Arrow.
 - b) Kaldor.
 - c) Hicks.
 - d) None.
4. Kaldor criterion and Hicks criterion were _____.
 - a) Different.
 - b) Same.
 - c) Compensative.
 - d) Both a) and c).
5. Market with asymmetric information is related to _____.
 - a) Akerlof.
 - b) Hicks.
 - c) Kaldor.
 - d) None.
6. Feasible region is the feature of _____.
 - a) LPP.
 - b) Input-output analysis.
 - c) Asymmetric information.
 - d) None.

Turn over

7. In a linear programming, the unutilized units of a factor of production is described by _____.
- a) Slack and surplus variable. b) Constraints.
c) Objective function. d) None.
8. Edgeworth box represents a particular allocation of labour and capital between _____.
- a) Firms. b) Commodities.
c) Individuals. d) None.
9. The degree of monopoly theory of distribution has been developed by _____.
- a) Arrow. b) Kalecki.
c) Hicks. d) None.
10. The concept of the reserve army of labour is due to _____.
- a) Marx. b) Kaldor.
c) Hicks. d) None.
11. A sum total of the satisfaction of all the individuals in a society refers to _____.
- a) Point of bliss. b) Second best.
c) Maximizing welfare. d) None.
12. In general equilibrium model Walras used _____ equations.
- a) Simultaneous. b) Quadratic.
c) Behavioural. d) None.

(12 × ¼ = 3 weightage)

Part B

Answer any five questions.

Each question carries 1 weightage.

13. Find the dual of the following primal :

$$\text{Minimize } Z = 4X_1 + 2X_2 + X_3$$

$$\text{S.T. } X_1 + X_2 \leq 10$$

$$3X_1 + X_2 + X_3 \geq 23$$

$$7X_1 - X_3 = 6$$

$$X_1, X_2, X_3 \geq 0.$$

14. Explain technical coefficient.
15. Explain features of public goods.
16. Define LPP.
17. Explain Property rights.
18. Explain general equilibrium.
19. Explain Eulers theorem.
20. Explain Scitovsky double criteria.

(5 × 1 = 5 weightage)

Part C

Answer any eight questions.

Each question carries 2 weightage.

21. Explain Market with asymmetric information.
22. Explain Assumptions of input-output analysis.
23. Explain Assumptions of LPP.
24. Explain Kaldor-Hicks compensation criteria.
25. Explain Theory of second best.
26. Explain Features of duality.
27. Explain Positive and negative externality.
28. Solve the following linear programming problem by using graphical method.

$$\text{Maximize } Z = 5X_1 + 3X_2$$

$$\text{S.T. } 2X_1 + X_2 \leq 1000$$

$$X_1 \leq 400$$

$$X_2 \leq 700$$

$$X_1, X_2 \geq 0.$$

29. Explain Bergson-Samuelson welfare function.
30. Explain tragedy of commons.
31. Explain Rawls theory of justice.

(8 × 2 = 16 weightage)

Turn over

Part D

Answer any three questions.

Each question carries 4 weightage.

32. Explain criteria's of old welfare economics.
33. Discuss existence, uniqueness and stability in general equilibrium.
34. Explain different concepts in market with asymmetric information.
35. Solve the following problem by using simplex method ?

$$\text{Maximize } Z = 3X_1 + 5X_2 + 4X_3$$

$$\text{S.T. } 2X_1 + 3X_2 \leq 8$$

$$2X_2 + 5X_3 \leq 10$$

$$3X_1 + 2X_2 + 4X_3 \leq 15$$

$$X_1, X_2, X_3 > 0$$

36. Discuss Marxian theory of distribution.

(3 × 4 = 12 weightage)