

2017

ECONOMICS - PAPER-I

Time Allowed : 3 Hours

Full Marks : 200

If the questions attempted are in excess of the prescribed number, only the questions attempted first up to the prescribed number shall be valued and the remaining ones ignored.

Answers may be given either in English or in Bengali but all answers must be in one and the same language.

Answer five questions taking at least two from each group.

Group-A

1. (a) Examine the effect of a price change on a giffen good in a two commodity model. 20  
(b) What are Bandwagon, Snob and Veblen effects ? 20
2. (a) Can a perfectly competitive firm maximize profit by operating on the downward sloping portion of MC curve ? Why ? 20  
(b) Under what circumstances would a loss making firm in a perfectly competitive market shut down in the short run ? 20
3. (a) What are the basic postulates of the marginal productivity theory of distribution ? 20  
(b) When is price discrimination possible and profitable ? 20
4. (a) Draw and explain the circular flow of income in an economy with government and financial markets. 20  
(b) What is the difference between  
(i) GDP and GNP.  
(ii) GNP and national income. 10+10
5. (a) How do aggregate demand and aggregate supply curves differ from microeconomic demands and supply curves ? 20  
(b) Explain how the steady-state level of Capital is reached in a closed economy without government assuming that labour force and technology are fixed. 20

Group-B

6. (a) Show that investment multiplier in an open economy is usually different from that in a closed economy. 20  
(b) With the help of a diagram show the effect of a tariff on prices, consumption, production, imports, consumers' surplus, producers' surplus, and governments' tariff revenue. 20
7. (a) Does public debt create burden for future generations ? 20  
(b) Differentiate between  
(i) Fiscal deficit and budget deficit.  
(ii) Optimum budget and balanced budget. 10+10

P.T.O.

8. (a) The following is the frequency distribution of marks of 240 students in a public examination, the 'u' column representing the distances of the class mid points from some arbitrary origin in units of class width, assumed constant. It is known that the arithmetic mean and S.D. in the original units are 40.60 and 7.92 respectively. Identify the classes.

u :	-4	-3	-2	-1	0	1	2	3	Total
Frequency :	3	15	45	57	50	36	25	9	240

20

- (b) Urns I, II and III contains 3 white and 5 black balls, 4 white and 4 black balls, and 5 white and 3 black balls respectively. One of the urns is chosen at random and a ball drawn from it also at random. If the ball turns out to be white, what is the probability that (i) Urn I was chosen (ii) Urn II was chosen (iii) Urn III was chosen ?

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9. (a) Show that the probability of a particular member of the population size N being selected in a sample of size n is same in both SRSWR and SRSWOR.

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- (b) Find out the Expectation and Standard Error of sample mean when Standard Deviation and Mean of the population are given.

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10. Write short notes on any two of the following

- (a) Complete Enumeration and Sample Survey.
- (b) Privatisation of public utilities.
- (c) Infant industry argument for tariff protection.
- (d) Balance on current account and balance on capital account.

20+20

