

MODEL QUESTION
CC1-ECONOMICS
INTRODUCTORY MICROECONOMICS
Objective type questions: 3 marks

1. When do we have an upward sloping demand curve? Explain with suitable examples.
2. Does fixed cost influence marginal cost? Give reasons for your answer.
3. Mention the cases where corner solution takes place.
4. Distinguish between compensated demand and ordinary demand functions.
5. What is an expansion path? Derive its equation for Cobb-Douglas production function $Q = AL^\alpha K^\beta$.
6. What do you mean by marginal utility? What would be the value of marginal utility when corresponding total utility is maximum? Explain with a suitable diagram.
7. In a supply and demand diagram, show producer and consumer surplus at the market equilibrium.
8. Explain the shape of an indifference curve when commodities are consumed in Fixed proportion.
9. Distinguish between compensated and ordinary demand functions.
10. Distinguish between MRS and MRTS.
11. If a 3% increase in the price of good X, causes a 6% decline in the quantity demanded, what is the price elasticity of demand?
12. Explain the relationship between AC and MC with the help of a suitable diagram.

Short answer type question: 6 marks

13. What are the strong and weak axioms of Revealed Preference Theory?
14. Is it possible to express complementarity or substitutability between two goods by means of cross elasticity of demand? Explain with suitable examples.
15. What is law of variable proportions? Using the law, establish relation between average product and marginal product.
16. Account for (a) 'Saucer' shaped (b) 'L' shaped and (c) 'J' shaped LAC curve.
17. Show that elasticity of output is the sum total of the input elasticities of output.

18. Show that ordinary demand function is homogeneous of degree zero in absolute prices and money income.
19. What is an indifference curve? What are its important properties?
20. Find out the value of the elasticity of substitution in case of CES production function.
21. Prove that the expansion path of the Cobb-Douglas production function is a linear one.
22. Establish the relationship between e_p , AR & MR and explain the significance of the relationship.
23. Show that the sum of the income elasticities weighted by the respective expenditure proportion of the two goods equals unity.
24. How can you derive the demand curve from the axioms of revealed preference?

Essay type questions: 12 marks

8. (a) Derive the demand curve from price consumption curve. 6+(2+2+2)
- (b) Comment on the price elasticity of demand when PCC is
 - (i) Horizontal straight line
 - (ii) Vertical straight line and
 - (iii) Downward sloping.
9. (a) Define elasticity of substitution. 2+10
- (b) Prove that CES production function tends to Cobb-Douglas production function when substitution parameter tends to zero.
10. Distinguish between Hicksian approach and Slutsky approach relating to decomposition of price effect into income effect and substitution effect. 12
- 11.(a) How it is possible to derive long run marginal cost curve (LMC) from the long run average cost curve (LAC)? 8+4
- (b) Prove that for a linearly homogeneous production function $AC = MC$.

12. What do you mean by static stability of a market equilibrium? Explain the Walrasian and Marshallian condition for stability. 2+10

13. Explain why the long run curve is also known as the envelope curve? 12

14.

Let $Q = AX_1^\alpha X_2^\beta$ ($0 < \alpha, \beta < 1$) be the production function with Q output and X_1 and X_2 as inputs. Explain under what conditions, the above function will be (a) strictly concave, (b) neither concave nor convex. 6+6

15. Derive Slutsky equation in a two commodity framework. 12

APC ROY GOVT. COLLEGE
DEPARTMENT OF ECONOMICS

SEMESTER 1
CC2- Mathematical Methods for Economics-I
Full marks 60

Section 1
3 Marks Questions

1. Find the slope of the isoquant for the given production function, $Q = 8LK - L^2 - K^2$.
2. State the properties of Cobb-Douglas production function.
3. Show that the output for maximum revenue (R) is 7 when the revenue function is given by,
 $R = X^2 - 10X + 7$.
4. Consider the demand function, $q = Ap^\alpha y^\beta$; where q is the quantity demanded, p represents price and y represents income; A, α , and β are constants. Determine price and income elasticity of demand.
5. What do you mean by homogeneous function? Give examples.
6. State Hawkin-Simons conditions to obtain a positive output in input-output model.
7. Consider the production function, $q = x_1x_2 - 0.2x_1^2 - 0.8x_2^2$. Assuming $x_2=10$, determine the equations of AP and MP curves of x_1 . Show that MP reaches maximum before AP and that when AP is maximum, $AP=MP$.
8. The total cost function of a firm is given by $C=2q^3-3q^2+12q$. Show that at the minimum point of the average cost curve, the average cost is equal to marginal cost.
9. The Cobb-Douglas production is given as, $Q=AL^\alpha K^\beta$. Show that there will be increasing, decreasing and constant returns to scale according as $\alpha+\beta>1$, $\alpha+\beta<1$ and $\alpha+\beta=1$.
10. The demand function faced by a firm is given as $p=20-3q$; where p and q represent price and quantity respectively. If the firm's average cost function is $AC=10q-5$. Find the optimum level of output that maximizes the profit of the firm.

Section 2
6 marks questions

1. Consider the production function, $q = x_1x_2 - 0.2x_1^2 - 0.8x_2^2$. Assuming $x_2=10$, determine the equations of AP and MP curves of x_1 . At what values of x_1 , AP and MP will be zero.
2. Consider the Keynesian model having following equations:
Consumption function, $C=0.8Y$; Investment function, $I=102-0.2r$;
Money Demand function, $M^d=0.25Y-2.5r$; Money supply function, $M^s=100$.
 - (a) Write the equations for the IS and LM curves.
 - (b) Evaluate the equilibrium values of income (Y) and rate of interest(r) using Cramer's rule

3. The Cobb-Douglas production is given as, $Q=AL^{\alpha}K^{\beta}$. Show that there will be increasing, decreasing and constant returns to scale according as $\alpha+\beta>1$, $\alpha+\beta<1$ and $\alpha+\beta=1$.
4. The demand function faced by a firm is given as $p=20-3q$; where p and q represent price and quantity respectively. If the firm's average cost function is $AC=10q-5$. Find the optimum level of output that maximizes the profit of the firm.
5. Consider the demand function, $p = ax^2 + bx + c$. Obtain the expression for price elasticity of demand and find the value of x to make the demand curve unitary elastic.
6. In a market, demand and supply functions are given respectively as $p = (2.44)^2 q^{-2}$ and $q = 1.50$. Find the price elasticity of demand at the equilibrium price.
7. A firm's is facing a demand function given by $p = 100 - 2q$. Obtain the relationship between the slopes of the corresponding Average Revenue and Marginal Revenue curves.
8. The total cost function of a firm is given by, $C = 12x + 2x^3 + 10x^3$. Show that
 - (i) When AC is falling, $AC>MC$,
 - (ii) When AC is rising, $AC<MC$,
 - (iii) When AC is minimum, $AC=MC$.
9. The production function of a firm is given by $Q = 7K^{0.5}L^{0.3}$. If the price of L is Rs 3/unit and K is Rs 2/unit, find out the output level that maximizes the profit of the firm. Also find the equation of the expansion path.

Section 3

12 Marks Questions

1. Derive the compensated demand function of q_1 and q_2 for the utility function, $U=q_1q_2$ and the budget constraint is given as, $p_1q_1+p_2q_2=M$.
2. The cost function of a firm is given by $C=x^2+xy+y^2$. By contract the firm is bound to produce 10 units in total i.e. his production is constrained to $x+y=10$. Find the minimum cost the firm has to incur to keep the contract.
3. (a) Write down the Hawkins-Simons conditions for the viability of an input-output system.
(b) Suppose inter-industry inflows of output are given by the following transaction matrix.

Production sector	X	Y	Domestic demand
X	30	40	50

Y

20

10

30

Determine the technology matrix and find the level of outputs required to meet the final demands.

4. Show that “neither diminishing Marginal Utility implies diminishing Marginal Rate of Substitution nor diminishing Marginal rate of substitution implies diminishing Marginal Utility

5. Derive ordinary and compensated demand functions for q_1 and q_2 given the utility function and the budget constraint of a consumer are respectively given by, $U = 2q_1q_2 + q_2$ and $Y_0 = p_1q_1 + p_2q_2$.

6. Suppose the inter-industry flows of products of two industries are given as below:

Production Sector	Consumption Sector		Domestic Demand	Total Output
	X	Y		
X	30	40	50	120
Y	20	10	30	60

Determine the technology matrix and test Hawkin-Simons conditions for the viability of the system. If the domestic demand increases to 80 units for X and 40 units for Y respectively, what should be the gross output.

7. The demand curve faced by a firm is given as $p = 20 - 3q$. If the firm's average cost is given by $AC = 10q - 5$, find the optimum level of output to earn maximum profit.

8. The cost function of a firm producing two commodities is given as $C = x^2 - xy + y^2$. By contract the firm is bound to produce exactly 10 units in total i.e. his production is subject to the constraint $x + y = 10$. Find the minimum cost the firm has to incur to keep the contract.

MODEL QUESTION
CC3-ECONOMICS
INTRODUCTORY MACRO ECONOMICS
SECTION-I

Objective type questions: 3 marks

1. Answer the following questions:
 - a. Distinguish between NNP at market price and NNP at factor cost.
 - b. Explain the concept of equilibrium employment and output.
 - c. Explain the concept of money illusion.
 - d. "The long-run Phillips Curve is a vertical straight line" — Explain.
 - e. Why is beggar's income not included in national income?
 - f. Explain the concept of stock and flow in macroeconomics.
 - g. Distinguish between nominal GNP and real GNP.
 - h. Explain the concept of effective demand.
 - i. (c) Define the velocity of circulation of money.
 - j. (d) What is personal disposable income?
 - k. (e) Define money multiplier.
 - l. (f) What is Keynes's psychological law of consumption

SECTION-II

Short answer type question: 6 marks

Answer the following questions:

2. What conceptual problems are associated with using national income as a measure of economic welfare?
3. Explain the usefulness of the concept of inflationary gap in analyzing a process of inflation.
4. Do you think that Say's law is consistent with the quantity theory of money? — Justify your answer.
5. Explain the value added method of measuring national income.
6. "Supply creates its own demand" — Critically explain.
7. Critically explain the Fisherian Quantity Theory approach.
8. (a) What is national income? Outline the difficulties of measurement of national income.
(b) Evaluate national income as a measure of welfare.
9. Determine equilibrium level of income and employment in the classical model.
10. (a) Explain how the level of saving is determined in the simple Keynesian consumption function.
(b) What is the effect of an increase in disposable income on the level of saving?
11. Explain the multiplier-accelerator interaction model in macroeconomics.
12. Explain the main features of Keynesian consumption function.
Distinguish between static multiplier and dynamic multiplier.
13. Explain the concept of wage-price flexibility in classical model.
14. Define CPI, WPI and GDP deflator.

SECTION-III

Essay type questions: 12 marks

Answer the following question

15. Explain critically the classical theory of income, output and employment.
16.
 - a. Develop schematic diagram for national income accounting for both closed and open economy.
 - b. Discuss the problems to measure national income by income method.
17.
 - a. What do you mean by 'involuntary unemployment'?
 - b. What are the fundamental differences between the classical and Keynesian model in respect of income and employment generation?
18. Explain critically Fisher's version quantity theory of money.
19. Define CPI, WPI, GNP Deflator, and GNI.
20. Diagrammatically explain the concept of effective demand.
21. What do you mean by Keynesian multiplier? Distinguish between static multiplier and dynamic multiplier.
22. Discuss the various methods of measuring National Income.
23. Critically explain the Classical theory of income, output and employment determination.
24. Describe acceleration principle and multiplier-accelerator model.
25. Explain the main features of Keynesian theory of Employment and Output

APC Roy Govt. College
Department of Economics

Semester 2
CC4- Mathematical Methods for Economics-II

3 Marks questions

1. Define Zero-sum game.
2. What is potential output is Domar's Growth model?
3. What kind of time path is represented by the equation, $Y_t = 10(-2/3)^t + 6$?
4. The time path of price is given by $P_t = 20a^t + 10$. At what values of 'a' the time path shall exhibit damped and explosive oscillations?
5. What is a Saddle point?
6. Differentiate between Zero-sum Game and Two-person-zero-sum Game
7. Differentiate between Fair Game and Strictly determinable Game.
8. What is Pay-off Matrix?
9. What is a homogeneous differential equation?
10. State the dominance principle in game theory.

6 Marks questions

1. Given, marginal propensity to save (mps) = 0.09, Output-capital ratio (y/k) = 3, and $Y_0 = 200$. Find the time path of income and investment.
2. Solve the following game problem using mixed strategy principle.

		Player B	
		B ₁	B ₂
Player A	A ₁	2	5
	A ₂	7	3
3. Given, Consumption function, $C_t = 0.5 Y_{t-1}$
Investment function, $I_t = 10 + 0.2 (Y_{t-1} - Y_{t-2})$
4. Find the time path of income and examine its dynamic stability
Given: $S(t) = I(t)$, $S(t) = 0.6Y(t)$, $Y(t) / K(t) = 1/3$, $Y_0 = 1500$
Obtain the rate of growth of income of the economy and find the value of income in the 5th period.
5. Find the optimum strategy for the following game problem by using dominance principle.
6. Write the assumptions of two-person-zero-sum game. Explain the two-person-zero-sum game with pay-off matrix.
7. Explain the Dominance property of game theory with the help of a numerical example.

		Player B				
		B ₁	B ₂	B ₃	B ₄	B ₅
A ₁	3	3	5	4	9	6

Player A	A ₂	5	6	3	7	8
	A ₃	8	7	9	8	7
	A ₄	4	2	8	5	3

8. Consider a multiplier-accelerator model given below:

$$C_t = 0.9 Y_{t-1}, \quad I_t = 0.5(C_t - C_{t-1}), \quad \text{and} \quad Y_t = C_t + I_t$$

Find the time path of income and examine the nature of the time path.

10. Find the equilibrium price and time path of price for the following dynamic market model.

$$Q_d = 40 - 2P_t$$

$$Q_s = 20 + 3P_{t-1}$$

11. Solve the following game using the maximin-minimax principle whose pay off matrix is given by:

		<i>Player B</i>			
		B ₁	B ₂	B ₃	B ₄
<i>Player A</i>	A ₁	1	7	3	4
	A ₂	5	6	4	5
	A ₃	7	2	0	3

12. Find the time path of price for the following dynamic market model and examine the stability:

$$Q_d = 120 - 2P + 5dP/dt$$

$$Q_s = -30 + 3P + dP/dt$$

12 Marks Questions

1. Outline Domar's Growth model and explain the economic interpretation.
2. It is given that an economy's consumption in any period depends on income of the previous year and the economy save 25% of its national income each year. If the economy starts with Rs. 10,000 as its initial national income and invests a sum of Rs. 1000 each year, examine the economy's equilibrium growth path.
3. Derive the fundamental equation of the Solow's Growth model mathematically.
4. Mathematically explain the Cobweb model and also show the different types of time path.
5. Describe the Cobweb model mathematically and diagrammatically.
6. Find the value of the game of a 2X2 pay-off matrix with mixed strategy.
7. (a) How do we interpret 1st order differential equations with the help of Domar's Growth Model?
(b) Explain the Knife-edge problem of economic growth in this context.

8. Explain Samuelson Multiplier-Accelerator Interaction Model.

9. Solve the following LPP using Simplex Method:

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

$$\text{Subject to } X_1 + X_2 \leq 10$$

$$3X_1 + 2X_2 \leq 12$$

$$X_1, X_2 \geq 0$$

10. Find the optimum mixed strategies of the players and determine the value of the game whose Pay-off matrix is given by:

		<i>Player B</i>	
		B ₁	B ₂
<i>Player A</i>	A ₁	5	1
	A ₂	3	4

MODEL QUESTION
SEM 3: CC5-ECONOMICS
INTERMEDIATE MICROECONOMICS – I

Objective type questions: 3 marks

1. What do you mean by 'break-even' point of a firm?
2. What is consumer's surplus?
3. Define, in short, social welfare function.
4. Is there any supply curve under monopoly?
5. What do you mean by product differentiation?
6. Define grand utility possibility Frontier.
7. Define Consumers' surplus with the help of a suitable diagram.
8. Write the assumptions of monopolistic competition.
9. Explain Pareto efficiency.
10. Explain the concept of monopoly power.
11. Write the conditions of price discrimination
12. Why is the shape of the demand curve parallel to horizontal axis under perfect competition?

Short answer type question: 6 marks

13. Show that a monopolist can earn supernormal profit and even negative profit in the short-run.
14. Explain clearly the features of a monopolistically competitive market.
15. Explain the process of long-run industry equilibrium in a perfectly competitive market.
16. What is Cournot's model of duopoly? State its assumptions.
17. Discuss one measure of monopoly power.
18. A monopolist has the following types of total cost and demand functions:

$$19. C = aQ_2 + bQ + d$$

$$20. P = \beta - \alpha Q$$

What is the profit maximising output level when the firm is assumed to fix the output?

19. Explain that perfect competition is sufficient for Pareto optimality.

20. Find the value of elasticity of the downward sloping straight line demand curve under monopoly market.
21. Industry always earns normal profit in the long-run under perfectly competitive market.— Explain.
22. Explain the various types of price discrimination.
23. What do you mean by Collusive Oligopoly? In this context, explain the concept of a cartel with an example.
24. Briefly explain the Cournot model with the help of reaction function.

Essay type questions: 12 marks

25. What do you mean by collusive oligopoly? Explain the conditions of equilibrium of the typical leadership model. 4+8=12
26. Explain how equilibrium price and quantity are determined when monopolist practices price discrimination in two markets.
27. Give a brief outline of the Kink-demand curve model of non-collusive oligopoly.
28. When is an equilibrium Pareto-optimal? What are the three efficiency conditions that must be satisfied for a Pareto-optimal allocation of resources in the economy?
Explain why the conditions are necessary? 2+5+5=12
29. Explain the concept of price rigidity with the help of the kinked-demand curve model.
30. Firm can earn normal, super-normal and losses in the short-run under monopoly market. — Explain.
31. Define shut down point. Will a firm under perfect competition continue with production even after incurring loss in the short-run? 2+10
32. Explain with a suitable diagram how a monopolist sets price in two different markets.

MODEL QUESTION

CC6-ECONOMICS

Intermediate Macroeconomics

GROUP-A

Objective type questions: 3 marks

1. Answer the following questions:

- (a) Explain the concept of effective demand.
- (b) What is crowding-out effect?
- (c) Define purchasing power parity.
- (d) Define M3.
- (e) What is Real Balance Effect?
- (f) What do you mean by Repo and reverse repo rates?
- (g) Explain the term liquidity trap
- (h) what do you mean by Purchasing Powder Parity
- (e) Explain the difference between Depreciation and Devaluation

GROUP-B

Short answer type question: 6 marks

Answer the following questions

- 2. Derive the LM curve and comment on the nature of its slope.
- 3. Discuss the concept of deficit financing.
- 4. Derive the foreign trade multiplier.
- 5. Explain in brief Tobin's 'Portfolio Approach' model.
- 6. Define and discuss 'Pigou Effect'.
- 7. (a) What is asset market approach of open economy macroeconomics?
(b) How this can be related to Dornbusch's overshooting model?
- 8. Define Tobin's portfolio choice Model
- 9. Explain monetary approach to Balance of Payment
- 10. Discuss the difference between Currency Multiplier and Deposit Multiplier

GROUP-C

Essay type questions: 12 marks

Answer the following questions :

- 11. Write short notes on the following:
 - (a) SLR, (b) Open market operation, (c) High powered money, (d) Liquidity Trap.
- 12. Within the IS-LM model, show how income and the interest rate are affected by each of the following:
 - (a) An increase in government spending.
 - (b) An increase in taxes.
 - (c) Investment demand function is interest-inelastic.
- 13. Within the Mundell-Fleming model, analyze the effects of
 - (a) a decline in the money supply
 - (b) a decrease in government spending for both flexible and fixed exchange rate cases.
- 14. Discuss the effectiveness of monetary and fiscal policy in the IS-LM framework.
- 15. Discuss the Real balance Effect
- 16. Discuss the effect of wage cut on output using AD-AS Model

**A.P.C. ROY GOVT. COLLEGE,
ECONOMICS DEPARTMENT
SEMESTER III
Statistical Methods for Economics (CC7)**

**Section 2
3 Marks Questions**

1. What do you mean by Sample and Sample Survey?
2. Distinguish between Primary Data and Secondary Data.
3. Write two properties of Geometric Mean.
4. What do you mean by Range?
5. Write two properties of Standard Deviation.
6. Define frequency density with formula.
7. Under what condition, Mean = Median = Mode?
8. What is spurious correlation?
9. What do you mean by partition value?
10. What are the differences between variation and skewness?
11. Make a distinction between relative measure of dispersion and absolute measure of dispersion.

**Section 2
6 Mark Questions**

1. From the following data draw (i) Histogram and (iii) Less-than Ogive.

Wages (in Rs):	0-10	10-20	20-30	30-40	40-50	50-60	60-70	70-80	80-90
No. of persons:	2	4	11	15	25	18	18	15	2

2. Marks secured by 50 students in a test are given below:

30	45	48	55	39	25	31	12	18	21	54	59	51
33	43	44	10	38	19	26	41	35	37	41	46	33
51	37	58	58	17	19	23	26	29	38	57	36	35
44	43	27	19	43	22	31	47	34	31	15		

Prepare a frequency table with class intervals 10-19, 20-29, 30-39,...so on and calculate the value of median.

4. A, G, and H denotes the arithmetic mean, geometric mean and harmonic mean respectively of two observations, Prove that $A \geq G \geq H$ and $G^2 = AH$.

5. Calculate standard deviation from the following data:

Weights (in kgs)	90-99	80-89	70-79	60-69	50-59	40-49	30-39
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No. of individuals: 2 12 22 20 14 4 1

6. Prove that Standard deviation depends upon change of scale and does not depend upon change of origin.

7. The arithmetic mean of two observations is 127.5 and their geometric mean is 60. Find
(i) their harmonic mean and (ii) values of the two observations

8. Find the missing frequencies from the following distribution if the mean daily expenditure of 1000 families is known to be Rs. 87.50

Daily expenditure (in Rs):	40-49	50-59	60-69	70-79	80-89	90-99	100-109
No. of families	: 50	150	?	100	200	?	90

9. The mean and standard deviation of marks in Sociology obtained by the male and female students

in third semester examination are given below. Find the combined mean and combined standard

deviation of all the students taken together.

	Male	Female
No. of students	50	10
Mean	60	50
Standard deviation	11	10

10. What is a Lorenz curve? Explain how it is drawn and how can it be used as a measure of concentration?

Section 3

12 Marks Questions

1. Prove that the value of Correlation Coefficient lies between -1 and 1.

(b) Calculate Karl Pearson's correlation coefficient between the production of rice and wheat for the given periods and comment on the value obtained.

Year:	1958	1959	1960	1961	1962	1963	1964	1965
Production of rice (X_i) ('000 tonnes):	439	450	454	514	1077	1653	2212	2176
Production of wheat (Y_i) ('000 tonnes):	830	976	995	1002	1202	1418	1819	1604

2. The marks of 9 students at the college test in two subjects are given below:

Economics (X_i):	77	50	71	72	81	94	96	99	67
English (Y_i):	82	66	78	34	47	85	99	99	68

- (i) Draw a scatter diagram for the data (rough sketch)
- (ii) Find the regression equation of y on x using least square method.
- (iii) Find the value of y when $x=85$

3. (a) The first three moments of a distribution about the value 7 calculated for a set of 9 observations are 0.2, 19.4 and -41.0. Find the value of 1st raw moment and 2nd central moment.

(b) Compute Pearson's and Bowley's measure of skewness for the following data.

Daily income(in Rs):	0-75	75-150	150-225	225-300	300-375	375-450
No. of persons :	15	200	250	225	10	5

4. Calculate median and mode from the following frequency distribution.

Monthly income (in Rs)	No. of persons
Below 2999-2999	53
3000-3499	81
3500-3999	114
4000-4499	195
4500-4999	63
5000-5499	32
5500-5999	20
6000-6499	11
6500-6999	8
7000-Above 7000	3

5. Show that mean deviation about mean cannot exceed the standard deviation. When are they equal to each-other?

6. What do you mean by standard deviation? Show that standard deviation is independent of change of origin but dependent upon the change of scale.

7. Define Rank correlation. Calculate Spearman's rank correlation coefficient from the data given below where 10 students are ranked by two different teachers according to their performance in a test.

Students:	A	B	C	D	E	F	G	H	I	J
Teacher 1:	4	8	6	7	1	3	2	5	10	9

Teacher 2: 3 9 6 5 1 2 4 7 8 10

8. Fit a straight-line trend to the following data of a pharmaceutical firm and estimate the likely profit for the year 2022.

Year	:	2014	2015	2016	2017	2018	2019	2020
Profit (in lacs):		60	72	75	65	80	85	95

9. Two regression lines such as; $10x + 3y - 16 = 0$ and $6x + 5y - 16 = 0$ have been estimated from a certain dataset on two variables x and y, Find the correlation coefficient between x and y and also find their mean values.

SEC1-P1-ECONOMICS
SEC-301
BASIC COMPUTER APPLICATIONS
GROUP-A

3 Marks questions

- (a) Who is the father of computer?
- (b) Write some internal & external storage devices.
- (c) Mention three characteristics of fifth generation computers.
- (d) How do you open and save the documents in MS Word?
- (e) What do you mean by worksheet?
- (f) Mention the steps to insert pictures or images in a document.
- (g) How do you rename a file and a folder?
- (h) How can you delete an entire table in MS-Word?
- (i) Name two high-level languages.
- (j) What is a database?
- (k) What is the name of first modern computer in first generation computers?
- (l) What is the difference between 'Save' and 'Save as'?
- (m) What are the binary numbers in a computer?

GROUP-B
6 Marks questions

- 1. Explain the steps required to insert Word Art in a document in MS Word.
- 2. Discuss briefly the history of development of computers.
- 3. Discuss the characteristics & limitations of computers.
- 4. Explain storage devices. How would you store primary and secondary data in a computer?
- 5. What is primary and secondary data?
- 6. Write the following steps of previewing and printing worksheet and previewing and printing charts.
- 7. How would you present a graphic with the help of the MS Power Point? How would you insert animation effects in a Power Point Presentation?
- 8. How would you format the following documents: (i) Paragraph formats and (ii) Aligning text.
- 9.. Explain various storage devices used by computers.
- 10. Define the following:
 - (i) Computer (ii) Monitor (iii) Hardware (iv) Software

GROUP-C
12 Marks questions

- 1. Explain keyboards short cuts used in MS Word.
- 2. Explain briefly the generations of computers with specific characteristics in each generation.

3. Write a short note on: (i) Operating system (OP) (ii) Insert Columns and Rows in the document (iii) Insert objects in the slide (iv) Slide transition
4. How would you create: (i) Column diagram (ii) Bar diagram (iii) Pie chart.
5. What is Word processing software? Discuss different features of MS Word.
Explain how to open and save a file in MS Word.
6. Discuss how computers have evolved through different generation.
7. Explain features of PowerPoint. Explain the process of creating new slides using slide master.
8. What is the use of Power Point application in business organizations? What are the options available in Power Point to create a new presentation?
9. How do you work with table in MS-Word in the content of
 - (i) inserting a new table with definite rows and columns
 - (ii) entering text in the table and
 - (iii) changing format of cells.
10. Distinguish between (a) worksheet and a workbook (b) file and folder

SEC-302

BUSINESS PROJECT FORMULATION AND ENTREPRENEURSHIP DEVELOPMENT

GROUP-A

3 Marks questions

- (a) What do you mean by the term Entrepreneur?
- (b) Explain the concept of Human Resource Development.
- (c) Write a short note on MSMEs.
- (d) What do you mean by Payback Period? Explain.
- (e) Write a short note on Project Report.
- (f) Write a short note on Questionnaire. Name two language translators.
- (g) what is meant by rural industries?
- (i) What do you mean by cultural environment for entrepreneurship?
- (j) What is meant by socio-political environment for entrepreneurship?

GROUP-B

6 Marks questions

1. Explain the concept of human resource development.
2. Discuss the role of rural artisans in economic development.
3. Explain social entrepreneurial environment.
4. Discuss the role of data collection for a case study on entrepreneurial development.
5. Discuss the legal and technological environment for entrepreneurship?
6. Briefly explain the process of setting up a business project.
7. Write short notes on Net Present Value (NPV) and internal rate of return (IRR).
8. Explain the process of questionnaire development for project work.
9. Explain concept of Small-scale industry.
10. Explain in detail the process of formulation of project report.

GROUP-C

12 Marks questions

1. What are the major issues related to women entrepreneurs?
2. Discuss the role of entrepreneurship in economic development.
3. Discuss the role of small-scale industries for an economy.
4. Write a note on various programmes on entrepreneurial development.
5. Define the concepts of entrepreneurship, project identification and project selection.
6. Explain the role of entrepreneurship in economic development.
7. What are different types of entrepreneurships? Explain the concept of women entrepreneur.
8. Explain the process of setting up business project.

MODEL QUESTION
SEM 4: CC8-ECONOMICS
INTERMEDIATE MICROECONOMICS – II

Objective type questions: 3 marks

1. What is externality?
2. What do you mean by market failure?
3. Why is the labour supply curve backward bending?
4. What is quasi rent?
5. What is asymmetric information?
6. Give few examples of moral hazards.
7. What do you mean by adding up problem?
8. State Euler's theorem.
9. What is Prisoner's Dilemma?
10. What is the basic difference between Zero Sum and Non Zero Sum game?
11. When a distribution may be regarded as Pareto optimal?
12. When Pareto optimality in exchange be achieved?

Short answer type question: 6 marks

13. Describe the phenomenon of adverse selection. Discuss with the help of suitable examples.
14. Explain the concept of Vonon Neuman-Morgenstern expected utility function.
15. What are the limitations of trade union in wage hike?
16. Show that if both product and labour market is imperfectly competitive, labourers are subjected to maximum exploitation.
17. Explain how an investor would reach the equilibrium in the trade-off between risk and return.
18. Briefly explain how the Present Value Criterion may help in investment decision.
19. What do you mean by Nash equilibrium?.
20. Briefly describe some of the problems associated with free rider problem.
21. What are private costs and social costs? Show how divergences between the two occur.
22. Show how market fails in the presence of externality.
23. Discuss economic rent as understood by Ricardo.
24. Establish interrelationship between Rent and Price following David Ricardo.

Essay type questions: 12 marks

25. Explain Coase Theorem with suitable illustration.
26. Show that under ideal economic conditions, where there is a conflict of property rights, the involved parties can bargain or negotiate that will result in the most efficient outcome.
27. Explain the wage and employment determination in case of monopoly in commodity market and perfect competition in labour market.
28. Derive the demand curve for labour, when labour is a single variable factor. How the situation alters when other factors are become variable also?
29. How can externalities be resolved? What is meant by the expression to internalize externalities?
30. Explain the phenomena of positive and negative externalities with suitable illustration.
31. Critically discuss Marginal Productivity Theory of distribution?
32. What do you mean by Risk aversion? With the help of expected utility theorem discuss how attitude towards risk may be analysed.

MODEL QUESTION
CC9-ECONOMICS
INTERMEDIATE MACROECONOMICS-II

GROUP A

Objective type questions: 3 marks

1. Answer the following questions:
 - a. Explain the concept of ratchet effect
 - b. What do you mean by stagflation?
 - c. Define Natural rate of unemployment
 - d. What do you mean by knife edge balance
 - e. Define golden rule of Capital accumulation
 - f. What do New Keynesian economics meant by coordination failure
 - g. What do you mean by structural inflation
 - h. Explain Mankiw sticky prices Model

GROUP B

Short answer type question: 6 marks

Answer the following questions:

2. Explain the life cycle hypothesis in detail.
3. Discuss Harrod-Domar model of economic growth.
3. (a) Explain the concept of inflationary gap.
(b) What are the implications of Phillips Curve for economic policy?
4. Discuss the four models of aggregate supply.
5. Explain Demand pull and Cost push inflation. Is it true that it is very difficult to separate demand pull and cost push inflation in practice? Give reasons.
6. Explain Friedman's Permanent Income Hypothesis.
7. Explain critically the Solow Model of economic growth.
8. Discuss the observed trade-off between rate of inflation and rate of unemployment. Why long run Phillips curve is vertical?
9. Define steady state of economy. Explain how does the economy reaches to steady state?

GROUP C

Essay type questions: 12 marks

Answer any two questions from the following

10. Explain the Keynesian Consumption Function.
11. Explain the rational expectation hypothesis.
12. What are the determinants of (i) business fixed investment; (ii) residential investment; (iii) inventory investment?
13. Explain Solo's model of economic growth.
14. State and proof Harrod's Knife-edge instability theorem.
15. Explain Consumption Ratchet and major two assumptions of Relative Income Hypothesis.
16. Discuss Ackley's Mark-up inflation.
17. Describe the properties of Keynesian consumption function
 - (a) Is the trade-off between the rate of inflation and the rate of unemployment valid for both the short-run and long-run? Give reasons.
 - (b) What are the implications of long-run Phillips Curve for monetary and fiscal policies?
18. How does economy reaches the golden rule of accumulation. Explain

19. Explain AK model of economic growth. How does AK model differ from Solow Model
20. How does new Keynesian economics different from new classical macroeconomics?

APC Roy Govt. College
Department of Economics
Semester IV
CC10- Statistics and Econometrics

Section-I

3 Marks questions

- (a) What is meant by mutually exclusive events?
- (b) What is purposive sampling?
- (c) Give the Classical definition of Probability?
- (d) What is the probability of getting 3 white balls from a box containing 5 white balls and 4 red balls?
- (e) Mention the methods of choosing a random sample from a large population?
- (f) Define parameter with an example.
- (g) Define statistic with an example.
- (h) What is a random variable?
- (i) What is simple random sampling?
- (j) Mention some sampling methods.
- (k) What is a standard normal variate?

Section-II

6 Marks questions

- 1. State and prove Bayes' Theorem of Probability.
- 2. What are the properties of a good estimator?
- 3. Write down the principal steps to be followed in a large sample survey?
- 4. State and prove the Compound Probability Theorem or Multiplication Theorem of Probability.
- 5. An unbiased coin is tossed three times and 'X' is a random variable which denotes the number of occurrence of heads. Find mean and variance of X.
- 6. Consider the following data on advertising expenditures (X) and sales revenue (Y) for an athletic sportswear store for 5 years.

Year	:	2010	2011	2012	2013	2014
Sales Revenue (Y) in Rs	:	3000	4000	2000	6000	8000
Advertising Expenditure (X) in Rs	:	100	200	300	400	500

If the population regression function is given by $Y_i = \alpha + \beta X_i + u_i$, then estimate the value of the population parameters α and β using the method of least squares and also find the estimated regression equation.

7. What is Normal distribution? State the properties of Normal distribution.
8. Distinguish between stratified sampling and cluster sampling.
9. What is Chi-square test? How is it used in research?
10. If the population regression function is given by $Y_i = \alpha + \beta X_i + u_i$. Prove that $\hat{\beta}$ is an Unbiased estimator of β .

Section III
12 marks questions

1. What is simple random sampling? What are its applications?
2. State Gauss-Markov Theorem and prove that the least square estimators have the minimum variance among all other estimators.
3. The following table shows pairs of observations on price and quantity demanded of a certain commodity over a period of six years.

Year:	2014	2015	2016	2017	2018	2019
Quantity demanded ('000 kg.):	8	3	4	7	8	0
Price ('00 Rs):	2	4	3	1	3	5

- (a) Estimate the demand function. Assuming a linear demand function. Comment on the values of the estimated coefficients ($\hat{\alpha}$ and $\hat{\beta}$) on the basis of the economic theory.
- (b) Estimate the elasticity of demand at the price 6.
- (c) Forecast the level of demand if price rises to 10.
4. Suppose a discrete random variable 'x' follows a Poisson distribution whose probability mass function is given by

$$f(x) = (e^{-\lambda} \lambda^x) / x! \quad \text{for } x = 0, 1, 2, \dots, \infty$$

$= 0$ otherwise, where λ is the only parameter.

Show that mean and variance of the distribution are equal to λ .

5. What is the role of T- statistics and F- statistics in regression model.
6. What is a Normal distribution? Prove that in case of Normal distribution mean=median=mode.
7. Consider the following multiple regression model, $Y_i = \beta_0 + \beta_1 X_{1i} + \beta_2 X_{2i} + u_i$; where u_i is normally distributed with mean 0 and variance σ_u^2 .

Y:	4	7	3	9	7
X_1 :	2	3	1	5	9
X_2 :	5	3	2	1	7

Estimate the values of the OLS estimators of β_0 , β_1 and β_2

8. Given the population regression function as; $Y_i = \alpha + \beta X_i + u_i$ and u_i follows a normal distribution with mean 0 and variance σ_u^2 . Show that Maximum-likelihood estimator of α and β are equivalent to the OLS estimators.

MODEL QUESTION
SEM 4: SEC 2-ECONOMICS
SEC-404 TOURISM MANAGEMENT

Objective type questions: 3 marks

1. Define tourism.
2. What is demand for tourism?
3. What are the differences between tourist and excursionist?
4. Who are considered as visitors?
5. What is domestic tourism?
6. Mention three benefits of eco tourism.
7. Mention three archaeological sites of India.
8. Which are known as Heritage sites?
9. What is sustainable tourism?
10. Why Sundarban of West Bengal is famous?
11. What is health tourism?
12. How tourism and economy is linked?

Short answer type question: 6 marks

13. Write a short note on Eco-Tourism.
14. Explain the role of Religion in tourism in India.
15. What are the positive and negative impacts of tourism?
16. Write a note on UNESCO world heritage sites in India.
17. Write about the religious sites in India.
18. What are the factors affecting the growth of tourism in India?
19. Discuss the positive and negative impacts of health tourism.
20. Explain the role played by handicrafts industry in development of tourism in India.
21. Distinguish between domestic tourism and international tourism.
22. Briefly discuss the role of four major religious sites in tourism development in India.
23. How demand for tourism can be determined?
24. Briefly discuss the role of West Bengal Tourism Development Corporation in promoting tourism in West Bengal.

Essay type questions: 12 marks

25. Describe the role of WBTDc in tourism development.
26. Explain the role of tourism in creating employment and income generation in India
27. Discuss the importance of Darjeeling and Dooars as tourist destinations in the State Gross Domestic Product of West Bengal.
28. Write about Health Tourism of India.
29. Explain the role of tourism in creating employment and income generation in India.\
30. Write about the religious sites in India
31. Write a note on UNESCO world heritage sites in India.
32. What do you mean by tourism motivation? Write a note on role of motivation in tourism.

MODEL QUESTION

CC11-ECONOMICS

INDIAN ECONOMY

(Objective type questions: 3 Marks)

1. Mention the reason for declaration in the rate of industrial growth in India.
2. Distinguish between Public sector and Private Sector.
3. Distinguish between Consumer good and capital goods.
4. Define the concept of inclusive growth.
5. Define marketable surplus and marketed surplus.
6. What is 'Operation Barga'?
7. Give two features of Indian agriculture.
8. What is meant by disinvestment policy of the Government?
9. What do you mean by tenancy reform?
10. What do you mean by Special Economic Zones (SEZ)?

(Short answer type question: 6 Marks)

11. Discuss the different arguments for and against the recent economic reforms in India.
12. Discuss the objectives of land reforms in India. Write a note on land reforms in West Bengal. 3+3=6
13. What is structural adjustment? Explain the structural transformation of the Indian Economy since 1991. 1+5=6
14. Discuss the main features of Indian tax structure.
15. Describe the current Exim Policy of the Government of India.
16. Discuss the impact of Globalization on Indian agriculture.
17. Write a short note on FDI.

(Essay type questions: 12 Marks)

18. a. What are the sources of rural credit?
b. Discuss the institutionalization of rural credit in India.
c. Discuss the problems of credit system in rural India. 3+6+3=12
19. Critically discuss 'Green Revolution' in India.
20. What is meant by Public Distribution System (PDS)? Write a note on food security policy of the Government of India. 6+6=12
21. Critically evaluate the Industrial stagnation and crisis of the Indian economy.
22. Write a note on Indian economic reform with reference to new economic policy 1991.

**APC ROY GOVT. COLLEGE
DEPARTMENT OF ECONOMICS**

**SEMESTER 5
CC12- Development Economics**

3 Marks questions

1. Define economic growth and economic development.
2. Define economic inequality. Write some major causes of economic inequality.
3. What is disguised unemployment? Explain Sen's model of disguised unemployment.
4. Explain vicious circle of poverty in case of undeveloped countries.
5. Distinguish between absolute poverty and relative poverty.
6. What are the major obstacles of economic development in LDC's?
7. What is GINI-coefficient?
8. What do you mean by dual economy?
9. What is indivisibilities of demand in development theory?
- 10 What do you mean by environmental externalities?
11. Define vicious circle of poverty.
12. What is free-riding?

6 Marks questions

1. What is a Lorenz curve? Explain how can it be used as a measure of economic inequality?
2. What are the major obstacles of economic development in LDC's
- 3.Explain vicious circle of poverty in LDC's from both demand and supply sides
4. Discuss in brief Rowstow's stages of economic development.
5. Write a note on Marxian stages of economic development.
6. Explain Leibenstein's theory of critical minimum effort.
7. Distinguish between balanced and unbalanced growth theories.

8. Distinguish between economic growth and development.
9. What is meant by a dual economy? Critically explain Lewis model of economic development in a labour surplus economy.
10. What is economic inequality? What are the various measures taken to reduce inequality in India?
11. Is economic growth related to economic equality. Give your remarks.

12 Marks Questions

1. What is HDI? Explain its construction with reference to India.
2. Write an essay on Harris-Todaro's model of rural-urban migration.
3. Explain Nelson's theory of low-level equilibrium trap in LDC's.
4. Critically explain the Big push theory of economic growth.
5. What is disguised unemployment? Explain A. K. Sen's version of disguised unemployment.
6. "Disguised unemployment is a source of hidden savings potential". Explain the statement.
7. Write a note on State Regulation on Environment change.
8. What is sustainability of renewable resources? Mention some of the measures adopted to achieve sustainability of renewable resources.
9. Define poverty. What are the different measures of poverty?
10. Explain the relationship between inequality and economic development.
11. What are the various policy measures adopted to alleviate poverty in India?

MODEL QUESTION
DSE-I
TOPICS IN PUBLIC ECONOMICS

GROUP –A

Objective type questions: 3 marks

1. Answer the following questions:
 - a. Define Externalities with example
 - b. Distinguish between pure and impure public goods
 - c. Distinguish between progressive and proportional tax
 - d. Define Fiscal federalism. Explain the features of fiscal federalism of India
 - e. Explain the term Incidence of taxation
 - f. Explain the concept of social advantage.
 - g. Define opportunity cost.
 - h. What do you mean by public debt?
 - i. Explain fiscal deficit.

GROUP-B

Short answer type question: 6 marks

Answer the following questions:

1. Explain Musgrave's views of the principle of maximum social advantages?
2. What is public goods? How does it differ from private goods? What is impure and pure public goods? Explain free rider problem of associated provision of public goods?
3. What are externalities? What are types of externalities? How Pigouvian tax subsidy system is used to resolve problem of externalities?
4. What is incidence of tax? Explain condition of optimal taxation?
5. What is public goods? How does it differ from private goods?
6. Explain the principle of maximum social advantage.
7. Explain efficiency and Equity consideration of tax system.
8. Distinguish between vertical fiscal imbalances and horizontal fiscal imbalance.

GROUP-C

Essay type questions: 12 marks

Answer the following questions:

9. State the assumption of Coase Theorem. Explain how externalities are resolved using Coase Theorem.
10. Explain is deadweight loss associated with tax.
11. Explain reform implemented in indirect tax system in India.
12. Mention three important functions of Gram Panchayat.
13. Write the limitations of social advantage.
14. Write notes on VAT and GST.
15. What is the structure of tax system in India? Explain.
16. 7. Write the functions of municipal corporation.
17. Discuss about fiscal federalism in India.
18. Discuss about functions and resources of local bodies.

MODEL QUESTION

DSE 2

Economic History of India

(Objective type questions: 3 Marks)

1. Explain the concept of production and investment.
2. What are the sources of agricultural credit during colonial period?
3. What do you mean by inequality of income?
4. Write a short note on Land system during colonial period.
5. Write a short note on agricultural market.
6. How was the condition of agricultural labour during colonial period?
7. Explain the drain of wealth.
8. Mention three key features of land market.
9. Explain the concept of de-industrialization.
10. Write shortly on the famines under Colonial rule.

(Short answer type question: 6 Marks)

1. Write a short note on standard of living.
2. Write a note on Old Guarantee System.
3. Write a note on food security.
4. Give a picture of labour market in British India.
5. Explain the agrarian structure and land relations in British Rule.
6. Describe the equipment's and technology used in agriculture in Colonial India.
7. Write a note on the property ownership of lands under the Colonial India.
8. What was the nature of credit market during colonial period?

(Essay type questions: 12 Marks)

1. Discuss about the theories of economic History.
2. Explain the status of India's agriculture during British Rule.
3. Give a brief account of development of railways in India during British period.
4. Discuss about the nature of industrialization in the interwar period.
5. Critically discuss the de-industrialization process in Colonial India.
6. Describe the trade policies under the British Rule.

APC Roy Govt. College
Department of Economics
Semester 6
CC13- International Economics

3 Marks Questions

- (a) What is current account in balance of payments?
- (b) What do you mean by non-tariff barriers?
- (c) What is ad valorem tariff?
- (d) What is the difference between balance of trade and balance of payments?
- (e) What is optimum tariff?
- (f) What do you mean by Invisible trade? Give example.
- (g) Mention any three merits of free trade.
- (i) What is comparative cost advantage in international trade?
- (j) What do you mean by factor intensity reversal?
- (k) What is SDR?
- (l) What is outsourcing?
- (m) Write three assumptions of Heckscher-Ohlin theory.
- (n) Distinguish between tariff and quota.

6 Marks questions

1. Explain the differences between the theories of absolute cost advantage and comparative advantage theory of international trade.
2. Explain Heckscher-Ohlin theory of international trade using the Price definition.
3. Explain Leontief paradox to Heckscher-Ohlin theory of trade and what are the reconciliations provided to this paradox.
4. In what sense Heckscher-Ohlin theory is better than Ricardian theory of comparative cost advantage?
5. Write a note on any one: (a) WTO or (b) IMF or (c) IBRD
6. “Balance of Payments always Balances” — Explain.
7. Explain Leontief Paradox.

8. Discuss arguments in favour of free trade/protection.
9. Differentiate between fixed and flexible exchange rates.
10. Briefly explain Rybzyński theorem.
11. Write a note on political economy of trade policy.
12. Distinguish between tariff and non-tariff barriers.

12 marks questions

1. State and explain Stolper-Sameulson theorem with a suitable diagram
2. State and explain Factor-Price-Equalization theorem.
3. Compare the general equilibrium effect of import tariff in case of a small country and large country.
4. Distinguish between Balance of Trade and Balance of Payments. Explain how Balance of Payments is always balanced?
5. (a) Distinguish between Current Account and Capital Account of Balance of Payments.
(b) What do you mean by Autonomous and accommodating transactions in BoP?
(c) Explain the concept of equilibrium in Balance of Payments.
6. (a) What are the major limitations of Absolute Cost Advantage theory of Adam Smith?
(b) Show that Ricardian theory of comparative cost advantage is an improvement over Absolute Cost advantage theory.
7. Critically explain Stolper-Samuelson theory of international trade.
8. Suppose a country have resorted to devaluation of its domestic currency to correct Balance of Payments imbalance. In this context—
(a) Derive Marshall-Lerner condition.
(b) Explain J-curve effect with suitable diagram.
9. What is MNC's? How does it affect domestic market?

MODEL QUESTION
CC14-ECONOMICS
Public Economics

GROUP-A

Objective type questions: 3 marks

1. Answer the following questions:
 - a. Define externalities with examples.
 - b. What is zero base budgeting?
 - c. Distinguish between progressive and proportional rate of taxation.
 - d. Distinguish between public debt and private debt.
 - e. What do you mean by fiscal deficit?
 - f. What is “shifting of taxes”
 - g. Define public good with examples
 - h. Explain the concepts of impact, incidence and shifting of taxes.

GROUP-B

Short answer type question: 6 marks

Answer the following questions:

2. Explain how does the model of negative externality lead to inefficient outcome and thus market failure.
3. Mention characteristics of Good Tax system. Distinguish between proportional and progressive taxes.
4. Explain the effects of Growth of Public Expenditure in India.
5. Discuss the ability to pay approach and benefit principle of taxation.
6. What are the important differences of private goods and public goods?
7. Distinguish between public goods and private goods.
8. Explain the concept of Zero based budgeting
9. State the types of Public debt. Discuss the economic effect of public debt

GROUP-C

Essay type questions: 12 marks

Answer the following question

10. Does internally held public debt impose burden on the community? Justify.
11. Explain the canons of public expenditure.
12. Explain the different concepts of budget deficits
13. Explain the benefit principle of taxation
14. What do you mean by deficit budget? What is zero-base budgeting?
15. Critically explain the “Ability-to-pay” principle of taxation.
16. Explain the effects of public debts on the economy.
17. Explain how negative externality lead to inefficient outcome and thus market failure
18. Distinguish between internal and external public borrowing. Discuss the functional classification of budget.
19. Explain the sources of external borrowing.

MODEL QUESTION
SEM 6: DSE 3-ECONOMICS
DSE-706 TOPICS IN INTERNATIONAL ECONOMICS

Objective type questions: 3 marks

1. What is optimum tariff?
2. What do you mean by devaluation?
3. What is depreciation of currency?
4. Explain the concept of 'Terms of Trade'.
5. What are main trade barriers?
6. What do you mean by unilateral transfer?
7. What are visible and invisible items of Balance of Trade?
8. What is FDI?
9. What is foreign portfolio investment?
10. What is the main difference between fixed and floating exchange rate?
11. Why WTO is formed?
12. What is specific tariff? Give example

Short answer type question: 6 marks

13. What is disequilibrium of BOP? What are the main measures to correct this disequilibrium?
14. What are the main consequences of BOP disequilibrium?
15. Differentiate between Balance of Trade and Balance of Payment.
16. State the Elasticity Approach of Balance of Payments.
17. State absorption approach to the Balance of Payments
18. Explain the main components of Balance of Payment.
19. Make a comparison between tariff and quota.
20. What are the main functions of IMF.
21. What is Custom Union? What are its advantages?
22. Mention some of the advantages of Quota.
23. State the impact of tariff barrier in income distribution.
24. How tariff may affect the income distribution?

Essay type questions: 12 marks

25. Explain absorption approach of balance of payments.
26. State and explain elasticity approach of Balance of Payments.
27. What are the main causes for disequilibrium of BOP? How floating exchange rate is helpful to bring equilibrium in BOP?
28. What are the components of BOP? Distinguish between Current Account and Capital Account.
29. Make a comparison between tariff and quota as trade barrier in the economy. Which trade barrier is more fruitful from the view point of a country?
30. Compare fixed and floating exchange rate system with their respective merits and demerits.
31. What is optimum tariff? How optimum tariff is determined for a Large importing country?
32. What is fixed exchange rate? State the merits and demerits of fixed exchange rate system.
33. Explain Trade Creation and Diversion effects of Custom Union.
34. Explain Lipsey's General Equilibrium model of Custom Union.