

2023

ECONOMICS — HONOURS

Paper : CC-13

(Public Economics)

Full Marks : 65

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Group - A

1. Answer *any ten* questions :

2×10

- (a) What do you mean by progressive taxation?
- (b) What are mixed goods?
- (c) State the Coase theorem.
- (d) What do you mean by budget deficit?
- (e) What is vertical equity?
- (f) Write two features of a good tax system.
- (g) Distinguish between the incidence of tax and the burden of tax.
- (h) What is the value of 'balanced budget' multiplier?
- (i) What is the objective of the benefit principle?
- (j) What do you mean by the excess burden of indirect tax?
- (k) What is short-term capital gain?
- (l) What do you mean by deficit financing?
- (m) What is Ricardian equivalence?
- (n) What do you understand by fiscal federalism?
- (o) What do you mean by the capital account of Government expenditure?

Group - B

Answer *any three* questions.

5×3

- 2. Explain the reasons for market failure in case of social goods.
- 3. What are the three functions of budgetary policy?

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4. Graphically explain the condition for equilibrium in the Lindahl Model.
5. Briefly give the rationale for decentralization of government's economic activities.
6. What are the effects of income tax on the work effort of an individual?

Group - C

Answer *any three* questions.

7. Compare the effects of a unit tax with those of an equal yield ad-valorem tax on equilibrium price and output under situations of Perfect competition. 10
 8. Derive the fiscal multiplier due to a change in government expenditure in the case of (a) Lump sum tax, (b) Income tax. 5+5
 9. Distinguish between internal borrowings and external borrowings. Explain the Ricardian view of public debt. 4+6
 10. Critically explain the voting equilibrium with its properties. 10
 11. What is the Pareto optimality condition in a two-good model with a pure private good and a public good? 10
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2023

ECONOMICS — HONOURS

Paper : CC-14

(Development Economics)

Full Marks : 65

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Group - A

1. Answer *any ten* questions :

2×10

- (a) Can you rank the countries on the basis of per capita income where it is measured at official exchange rate?
- (b) How can disguised unemployment be measured?
- (c) Distinguish between relative and absolute poverty.
- (d) What is economic dualism?
- (e) What are the different types of indivisibilities mentioned in the 'Big Push' theory of development?
- (f) "Population is relatively youthful in the developing world." — Explain.
- (g) State any two characteristics of Harris Todaro Model.
- (h) What is Kuznets' ratio?
- (i) What do you mean by 'Development of Underdevelopment' as explained by the neo-Marxist economists?
- (j) What is total fertility rate?
- (k) What are the crucial elements of a good institution?
- (l) If the urban wage rate and rural wage rate are ₹ 180 and ₹ 100 respectively, and if the probabilities of getting an urban job and rural job are $\frac{1}{2}$ and 1 respectively, then what would be the migration decision of a rural worker?
- (m) Explain why Gini coefficient is Lorenz consistent.
- (n) State the Kuznets' Inverted U-hypothesis regarding income inequality in a country.
- (o) How can you explain the declining terms of trade (TOT) for primary goods in less developed countries based on Prebisch-Singer hypothesis?

Please Turn Over

Group - B

Answer *any three* questions.

5×3

2. Write a short note on how to construct a Human Development Index (HDI) in measuring economic development.
3. Derive Sen's conditions for the existence of surplus labour.
4. Explain the impact of a relaxation of 'single good assumption' in Lewis' model.
5. Explain the concept of 'Demographic Dividend'.
6. Compare and contrast the strengths and weaknesses of poverty gap ratio and income gap ratio.

Group - C

Answer *any three* questions.

7. (a) "Economic Development is something more than Economic Growth." — Explain.
(b) Do you think that per capita income of any country can be considered as the proper index of economic development of that country? Give reasons. 5+5
 8. Explain the notion of low-level equilibrium trap with special reference to income-depressing forces and income-raising forces in an economy. 10
 9. Analyse the conflict between (i) employment and output, and (ii) employment and savings generation while choosing any production technique. 5+5
 10. Explain the process of economic development by the transfer of labour from agriculture to industry and the simultaneous transfer of surplus food-grain production, which sustains that part of the labour force engaged in non-agricultural activity, on the basis of Fei and Ranis' model. 10
 11. Critically discuss the Balanced Growth Doctrine. 10
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2023

ECONOMICS — HONOURS

Paper : DSE-A(2)-1

(Money and Financial Market)

Full Marks : 65

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*Candidates are required to give their answers in their own words
as far as practicable.*

Group - A

1. Answer *any ten* questions :

2×10

- (a) State any two functions of the financial system in any economy.
- (b) What is credit risk?
- (c) What is high powered money?
- (d) Distinguish between primary and secondary market.
- (e) What is risk premium?
- (f) What is Credit Rating Agency?
- (g) What is IPO?
- (h) What do you mean by Yield to Maturity?
- (i) Demonetisation acts as a liquidity shock in the economy. — Explain.
- (j) Mention any two measures adopted by RBI in order to control inflation.
- (k) What are doubtful assets?
- (l) State two objectives of implementing financial sector reforms in India.
- (m) What is Market Stabilisation Scheme (MSS)?

Group - B

Answer *any three* questions.

5×3

2. Explain how a Lemon problem arises in the markets for bond and stock.
3. Explain the H-theory of money supply.
4. Briefly discuss the evolution of Indian Derivative Market.

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2023

ECONOMICS — HONOURS

Paper : DSE-B(2)-1

(Environmental Economics)

Full Marks : 65

The figures in the margin indicate full marks.

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as far as practicable.*

Group - A

1. Answer *any ten* questions :

2×10

- (a) How does economics relate to environmental issues?
- (b) What are the major rules to attain Sustainable Development?
- (c) What is Dynamic Efficiency?
- (d) What is Ambient Permit System?
- (e) What is Hydrological Cycle?
- (f) What is Cap-and-Trade programme?
- (g) What is the Environmental Kuznet Curve?
- (h) What is Market failure?
- (i) What is Carbon Offsetting?
- (j) What is 'Displacement Hypothesis'?
- (k) What is global warming and its effects?
- (l) Do Pigouvian Taxes create deadweight loss?
- (m) Is the optimal level of pollution zero?
- (n) What is the basic difference between direct and indirect methods of environmental valuation?
- (o) What is 'Contingent Valuation Method'?

Group - B

Answer *any three* questions.

- 2. What do you see as the greatest specific cost and benefit of globalization in the context of Environment? 5
- 3. Using demand-supply framework, explain how government can internalize the positive and negative externalities through taxes and subsidies. 5

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4. Discuss Pareto optimality and explain how is it related to welfare maximization. 5
5. Discuss the ethical implications of Transboundary Pollution, Pollution Havens, and international Environmental Agreements. 5
6. Briefly explain Hedonic Pricing Method and mention two limitations. 3+2

Group - C

Answer *any three* questions.

7. (a) What is 'Property Rights'?
 (b) Explain COASE theorem graphically.
 (c) What are the policy significance of COASE theorem? 2+6+2
8. (a) Assume an economy of two firms and two consumers. The two firms pollute. Firm one and Firm two have marginal savings function as $MS_1(e) = 5-e$ and $MS_2 = 8-2e$ respectively, where e is the quantity of emissions from each firm. Each of the two consumers has marginal damage function as $MD(e) = e$, where e is the total amount of emissions the consumer is exposed to.
 - (i) Find optimal level of pollution
 - (ii) Find appropriate Pigovian fees, and
 - (iii) Find emissions from each firm.
 (b) Examine and compare the long run effects of 'Taxes vs. Subsidies' approach to control environmental degradation. (2+2+1)+5
9. Do economic growth and sound environmental policy necessarily conflict? Identify some areas where a choice must be made between economic growth and environmental preservation and others where the two are compatible. 3+7
10. Will internalizing a negative externality result in the elimination of all environmental damage? Why or why not? 5+5
11. Compare and contrast Hedonic Price Method (HPM) and Travel Cost Method (TCM) of environmental valuation with their respective strengths, weaknesses, opportunities and challenges. 5+5