CSM – 22/20

Economics

Paper – I

Time : 3 hours

Full Marks : 300

The figures in the right-hand margin indicate marks.

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

SECTION – A

1. Answer any **three** of the following : 20×3 = 60

   (a) Can a firm under perfectly competitive market earn super-normal profit in the long run ?

   (b) Examine the role of taxation as a stabiliser in an economy.

   (c) Distinguish between cost push inflation and demand pull inflation.

   (d) Show the importance of money multiplier in determining supply of money.

2. Explain the marginal productivity theory of distribution, indicating the underlying assumptions. 60

3. Critically examine the Keynesian Liquidity Preference Theory of Interest. 60

4. How the equilibrium price and output are determined under monopoly ? 60

SECTION – B

5. Answer any **three** of the following : 20×3 = 60

   (a) Discuss the Cambridge version of quantity theory of money.

   (b) Define equilibrium terms of trade by using offer curve.

   (c) Explain the Keyne's principle of effective demand in determining income and employment.

   (d) Discuss the major instruments of the central bank to control money supply in an economy.

6. Discuss Ricardo's Model of comparative advantages with necessary assumptions. 60

7. State how foreign capital contributes to economic growth in a developing country. 60

8. Discuss different dimensions of human development. Do you think that HDI measures sufficiently the human development ? 60