

GENERAL ECONOMICS-III*Time Allowed : Three Hours**Maximum Marks : 200***INSTRUCTIONS**

The question paper consists of three Sections. Candidates should attempt FIVE parts of the question in Section I, SEVEN questions from Section II and TWO questions from Section III. Candidates should attempt questions as per the instructions given in each Section.

The number of marks carried by each question is indicated in each Section.

Answers must be written only in ENGLISH.

Any assumptions made for answering a question must be mentioned clearly.

SECTION I

Attempt any *five* parts of the following question. Answer to each part should be of approximately 50 words. 7×5=35

1. Write short notes on the following :
 - (a) Equal-marginal Sacrifice Principle
 - (b) Inspection Effect
 - (c) Total Economic Value

- (d) Hotelling Principle in respect of exhaustible resources
- (e) Millenium Development Goals
- (f) Issue of externality in the context of social cost-benefit analysis
- (g) Social rate of discount

SECTION II

Attempt any *seven* of the following questions. Each answer is to be in about 150 words.

$15 \times 7 = 105$

2. Do you agree that allocative effects of direct taxes are superior compared to indirect taxes ? Justify your view.
3. Analyse how price and output are determined under an oligopoly market structure.
4. What are the different cost-oriented pricing methods ? Explain Marginal Cost Pricing.
5. Explain the important factors determining taxable capacity and analyse the limits to it.
6. Critically analyse H. Dalton's explanation of sharing the burden of sales tax between buyers and sellers.
7. Show how Pigouvian taxes can be more effective than subsidies in controlling pollution.
8. Discuss the meaning and measurement of product differentiation under monopolistic competition.
9. What are the different important indices of market concentration ? Examine whether measures of market concentration adequately indicate the degree of market power.
10. What are the different variants of property right ? Examine whether the concept of maximum sustainable yield (MSY) is related to the property right issue.

SECTION III

Attempt any *two* of the following questions, in about 500 words each.

30×2=60

11. Discuss the Contingent Valuation Method (CVM) in evaluating environmental assets and explain the problems in this method.
12. Critically analyse the conditions for, and the different degrees of, price discrimination.
13. Derive reaction function and state its implication(s) in a duopoly market. Discuss the Stackelberg model by using the concept of reaction function.