

GENERAL ECONOMICS - III

Time Allowed : Three Hours

Maximum Marks : 200

INSTRUCTIONS

- The question paper consists of three Sections.
Candidates should attempt EIGHT parts of the
question in Section I, TEN 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.
All parts/sub-parts of a question being
attempted must be completed before
moving on to the next question.*
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SECTION I

*Answer any **eight** parts of the following. Answer to each part should be of approximately 50 words. 5×8=40*

1. Write short notes on the following in about 50 words each :
 - (a) Public Choice Theory
 - (b) New Orthodoxy of Public Debt
 - (c) The Rationale for Social Discounting
 - (d) Unskilled labour and Foreign exchange
 - (e) Dose Response Method
 - (f) Environmental accounting
 - (g) Option value and Existence value
 - (h) Types of Product Differentiation
 - (h) Sustainable Human Development Index

SECTION II

Answer any ten of the following questions. Each answer is to be in about 150 words. 12×10=120

2. What are the difficulties of majority voting ? How will you solve the problem of paradox of cycling ?
3. "The burden of present public debt is shifted to future generations." Critically examine this statement.
4. Discuss the role of property rights and transaction costs in relation to Coase Theorem.
5. "Indicative planning is peculiar to France and is quite different from the planning in India." Explain.
6. In the case of Corporate Tax, who bears the incidence ? Substantiate your answer in the light of Harberger Model.
7. Explain the Wage-Goods strategy of development formulated by C.N. Vakil and P.R. Brahmanand and critically examine the same.
8. Discuss the debate on Great Green Divide.
9. Explain the behavioural hypothesis about Market Concentration and Market Performance.

10. What, in your view, are the macro socio-economic factors to be managed for sustained growth in the Indian economy ?
11. Explain the methods of determining shadow price.
12. Explain the Theory of Contestable Markets. Does this apply to all monopolistic and oligopolistic market situations ?

SECTION III

Answer any **two** of the following questions in about 250 words each.

20×2=40

13. Evaluate the various Revealed Preference methods of valuation of natural resources. What are the difficulties in measuring environmental values ?
14. "Controls are an integral part of planned economy" – Explain. What are the different types of controls ? Why has physical control not been very successful in India ?
15. What are Global Environmental Externalities ? Explain the international policy instruments to tackle Global Environmental Externalities.

