

**CSM : 22**

**ECONOMICS**

**PAPER - I**

Time Allowed : 3 hours

Full Marks : 100

*Marks for each question is indicated against it.*

*Attempt any 5 (five) questions taking not more than 3 (three) questions from each Part.*

**PART - A**

1. How are the micro theories of distribution different from the alternative macro-theories of distribution? Critically explain Ricardo's macro-theory of distribution **(4+16=20)**
2. What are the features of the perfectly competitive market? Explain the short run equilibrium of a firm under perfect competition. Distinguish between Oligopoly and Duopoly. **(5+10+5=20)**
3. Distinguish between Average Propensity and Marginal Propensity to consume. Explain Keynesian theory of income and employment. How is it different from the Classical theory? **(4+12+4=20)**
4. What do you mean by the demand and supply of Loanable funds? Analyse the role of interest rate in determining the loanable funds. **(5+15=20)**

**PART - B**

5. How do commercial banks create credit? State the limitations that affect credit creation. Briefly explain the bank rate as a method of credit control. **(10+5+5=20)**
6. Explain in details the opportunity cost theory of international trade. How is it an improvement over the comparative advantage theory? **(14+6=20)**
7. Critically evaluate Lewis Theory of Economic development with unlimited supply of labour. **(20)**
8. Highlight the merits and demerits of Multinational Companies in India's economic growth and development. **(20)**

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