1. Explain Consumer’s equilibrium using indifference technique. Show how the Consumer’s equilibrium is affected when there is a rise in money income. (5+15=20)

2. What is meant by Market Equilibrium? How is short-run and long-run price of a commodity determined in a competitive market? (4+8+8=20)

3. How is the rate of interest determined with the help of the IS-LM curves? (20)

4. Distinguish between Gross interest and Net interest. Explain the determination of the rate of interest according to the Neo-Classical Loanable Fund Theory of Interest. (4+16=20)

5. What are the objectives of qualitative or selective instruments of credit control of the Central Banks? Discuss these instruments. What are their limitations? (4+12+4=20)

6. Distinguish between BOP and BOT. Discuss the role of WTO in international economic integration. (4+16=20)

7. Critically examine the Lewis Model of Unlimited Supplies of labour. Is it applicable to overpopulated countries? (15+5=20)


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