

**CSM : 18**

**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. Critically examine Revealed Preference theory of consumer's behaviour. How is it superior to the Indifference Curve theory of consumer behaviour? **(15+5=20)**
2. Is price and output under oligopoly indeterminate? Explain how price and output are determined under price leadership, in case of the dominant-firm price leader. **(10+10=20)**
3. Examine how equilibrium is achieved in an open economy through the IS-LM analysis. **(20)**
4. Critically explain K.J. Arrow's Impossibility theorem of Social Welfare Function. **(20)**

**PART - B**

5. How is Friedman's Quantity Theory of Money an improvement over the traditional quantity theory of money? **(20)**
6. What are tariffs? What are the effects of tariffs on the economy? Discuss the theory of optimum tariff. **(2+6+12=20)**
7. What is human capital formation? Discuss its role in economic growth. What are the problems faced in the process of human capital formation? **(3+10+7=20)**
8. How would you like to measure economic development? What are the different indicators of economic development? Is human development index a good measure of development? Illustrate your answer. **(5+7+8=20)**

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