

CSM : 17

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 does Slutsky decompose the price effect into income and substitution effects? What is the advantage of decomposing the price effect? **(16+4=20)**
2. What is Product Differentiation? What are the effects of product differentiation on the firm's equilibrium? Under monopolistic competition does expenditure on advertisement necessarily lead to an increase in business? Explain. **(2+13+5=20)**
3. Explain with appropriate assumptions and diagrams, the determination of equilibrium income and interest rate in a Keynesian model of goods and money markets. **(10+10=20)**
4. Explain the key features of the Neo Classical Synthesis of Classical and Keynesian theories of income and employment. **(20)**

PART - B

5. "Public expenditure has enormously increased during the last hundred years in every country of the world." Give reasons for the increase of public expenditure. **(20)**
6. What do you understand by free trade? Give your argument for and against free trade. **(5+15=20)**
7. Examine the role of agriculture in the economic development of an underdeveloped and developing countries. **(20)**
8. Explain the environment-economy linkage in a circular economy. Suggest a few measures that can be taken in the production process in order to minimise environmental degradation. **(14+6=20)**

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