

# CSM : 16

## 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. Explain how according to Kalecki's theory of distribution the value of output is shared between labour and capital. (20)
2. State the axioms given by Arrow for translating individual preference into social preferences. Why is it impossible to construct social preferences satisfying these axioms? (10+10=20)
3. Explain the Hicks-Hansen reconciliation of the stock and flow theories of interest rate. (20)
4. What are the main points of difference between Classical and Keynesian theories of income and employment? Why does under-employment equilibrium occur in Keynesian model? (16+4=20)

#### PART - B

5. What are the main functions of commercial banks? Discuss the process of credit creation by the commercial banks. (6+14=20)
6. Critically discuss the Classical theory of international trade. (20)
7. Examine the role of human capital in the economic growth of a country. (20)
8. Differentiate between economic growth and economic development. State and explain the Human Development Index (HDI) as developed by the United Nations Development Programme (UNDP). (6+14=20)

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