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I/P/DE/21

MAY—2019 (DE)
MA Previous (IDE) Examination

ECONOMICS

Paper : MAECO-401

(Micro Economic Theory)

Full Marks : 70

Pass Marks : 40%

Time : *Three Hours*

- Note** :
- 1. Candidates have to answer the questions as per the instructions given in Sections A, B and C.*
 - 2. The figures in the right-hand margin indicate full marks for the questions.*

Section—A

Answer *any four* of the following questions :

5×4=20

- 1.** Distinguish between Marshallian and Hicksian demand functions.

(2)

2. What is a homogeneous production function? Find out the degree of homogeneity of the following three production functions .

$$y_1 = \frac{1}{2} KL$$

$$y_2 = \sqrt{KL}$$

$$y_3 = K^{1.65} L^{0.35}$$

3. Highlight the main characteristics of a cartel.
4. Distinguish between two-person zero-sum and non-zero sum games
5. Make an evaluation of the traditional theory of the firm
6. Distinguish between cardinal and ordinal measures of utility. Is Neumann-Morgenstern utility cardinal? Give the rationale of your answer

Section—B

Answer any **two** of the following questions

10×2=20

1. What happens to the budget line of the consumer when all prices and his/her

(3)

income increase by 50%? Given the utility function $u = q_1^1 q_2^2$ which is subject to the budget constraint, $2q_1 + 3q_2 = 20$. Find out the equilibrium purchase of q_1 and q_2

2. What is monopolistic competition? Describe its main features.
3. What is the prisoner's dilemma? Show the outcome of this dilemma in case of its repetition
4. How is Pareto optimality achieved? Show some shortcomings of Pareto optimality

Section—C

Answer any **two** of the following questions

15×2=30

1. Describe Williamson's model of managerial firm
2. What are the distinctive features of Walrasian general equilibrium system? Discuss Marshallian and Walrasian conditions of stability of equilibrium

3. How does the marginal productivity theory of distribution determine the factor price? Use Euler's theorem to show the limitations of this theory.
4. What is asymmetric information? How does the asymmetric information give rise to adverse selection?

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I/P/DE/22

MAY—2019 (DE)
MA Previous (IDE) Examination

ECONOMICS

Paper : MAECO-402

**(Macro Economic Theory and Monetary
Economics)**

Full Marks : 70

Pass Marks : 40%

Time : Three Hours

Note : 1. **All Sections are compulsory.**

2. Answer **any four** questions from **Section—A.**

3. Answer **any two** questions from **Section—B.**

4. Answer **any two** questions from **Section—C.**

5. The figures in the margin indicate full marks for the questions.

(2)

Section—A

1. Write short notes on any *four* : $5 \times 4 = 20$
- (a) Classical dichotomy
 - (b) Keynesian theory of interest
 - (c) Relative income hypothesis
 - (d) Marginal Efficiency of Investment
 - (e) Phillips curve
 - (f) Construction of Sensex and Nifty

Section—B

Answer *any two* questions : $10 \times 2 = 20$

- 2. Critically evaluate the classical theory of income and employment.
- 3. Discuss how equilibrium is reached under IS-LM model.
- 4. State and explain the permanent income hypothesis.
- 5. Derive the accelerator from profit maximising behaviour of the firm.
- 6. Illustrate the role, structure and characteristics of capital market.

(3)

Section—C

Answer *any two* questions : $15 \times 2 = 30$

- 7. Discuss the role and working of SEBI.
- 8. State and explain the various criterion of investment demand.
- 9. Critically appraise the relative effectiveness of monetary and fiscal policies in the backdrop of IS-LM model.
- 10. Discuss the role and function of Non-Banking Financial Intermediaries.
