

CSM – 22/19
Economics
Paper – I

Time : 3 hours

Full Marks : 300

The figures in the right-hand margin indicate marks.

*Candidates should attempt Q. No. 1 from Section – A and Q. No. 5 from Section – B which are compulsory and any **three** of the remaining questions, selecting at least **one** from each Section.*

SECTION – A

1. Answer any **three** of the following : $20 \times 3 = 60$
 - (a) Explain the condition under which a firm will shut down in the short-run under perfect competition.
 - (b) Distinguish between bills and bonds.
 - (c) What is "crowding out" ? What causes the phenomenon ?
 - (d) Examine the basic needs approach of measuring human development.

2. Keynesian equilibrium is an underemployment equilibrium. Comment. 60
3. Discuss the process of adjustment in the Balance of Payment through variation in the prices along with its efficacy. 60
4. Critically analyse Harrod's growth model and its applicability to a developing country like India. 60

SECTION – B

5. Answer any **three** of the following : $20 \times 3 = 60$
 - (a) How did Keynes expose the fallacy in the Say's Law of market ?
 - (b) What are the major sources of revenue of a State Government in India ?
 - (c) What roles do multinationals play in the economic development of a developing economy ?
 - (d) Examine the role of WTO in a globalised world with the reality of trading blocks.

6. What are the objectives and instruments at the disposal of monetary authorities for monetary management in an open economy? 60
7. How far the IMF has been able to achieve its objective of maintaining a stable international order in recent times? Give your views. 60
8. Do you think that there is a trend for levels of living of developed and developing countries to converge over time? Give arguments in favour of your answer. 60



