

5/H-16, (v) (Syllabus-2017)

2019

(October)

ECONOMICS

(Honours)

(Advance Economic Theory)

Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer five questions, taking one from each Unit

UNIT—I

1. Show the decomposition of price effect for a fall in the price of good X using Slutsky's approach. 15
2. Critically examine the Revealed Preference Theory. 15

UNIT—II

3. Verify the properties of a linearly homogeneous production function using $Q = AK^\alpha L^{1-\alpha}$. 15

(2)

4. What is producer's equilibrium? Explain how a producer achieves equilibrium through least cost combination method. 3+12

UNIT—III

5. When is price discrimination possible? Explain the condition(s) under which price discrimination is profitable. 5+10

6. Assuming a Pareto-efficient situation, discuss the following : 5+5+5

(a) Efficiency in exchange

(b) Efficiency of production

(c) Efficiency in the product-mix

UNIT—IV

7. Discuss the Cambridge equations. Why is it considered superior to the Cash Transaction approach? 10+5

8. Explain the various causes of inflation. What fiscal measures can be undertaken to control inflation? 8+7

20D/124

(Continued)

(3)

UNIT—V

9. Critically discuss Keynes's view on trade cycle. 15

10. Differentiate between balance of trade and balance of payments. What methods are employed to correct disequilibrium in the balance of payments? 5+10

20D—4700/124

5/H-16 (v) (Syllabus-2017)