2025

M.Sc. 1st Semester Examination

ECONOMICS

Paper : ECOC402X0

(Elements of Advanced Economics Theory)

Full Marks : 50 Time : Two Hours

The figures in the margin indicate full marks. Candidates are required to give their answers in their own words as far as practicable.

Group - A

Answer any *two* questions : 2×2=4

1. State and explain the reasons for discounting. [CO1]

2. Define social welfare function. [CO2]

3. What are the major sources of public borrowing? [CO1]

4. Why does the market fail in the case of public good? [CO2]

Answer any *two* questions : 4×2=8

5. Briefly discuss the choice of investment projects based on the "Net Present Value Criterion". [CO2]

6. State and illustrate "Arrow's impossibility theorem". [CO2]

7. How does the median voter theorem help in collective decision-making under majority rule? Discuss its limitations. 3+1 [CO2]

8. Explain the Economic effects of taxation on income distribution, work effect and savings. [CO2]

Answer any *one* question : $8\times1=8$

9. State and discuss the "Kaldor-Hicks compensation principle". Mention the criticism of this compensation principle. (2+4)+2 [CO1]

10. Explain the Lindahl model and the Samuelson model for the optimal provision of a public good. In what ways do these models differ? 7+1 [CO2]

Group - B

Answer any *two* questions : $2\times2=4$

11. What do you mean by micro-foundation of macroeconomics? [CO3]

12. What are the primary branches of macroeconomics? How can you classify them? 1+1 [CO3]

13. What is the basic proposition of the menu cost theory? [CO3]

14. In a 2×2 John's general equilibrium framework, write down the full employment condition. [CO4]

Answer any *two* questions : 4×2=8

15. How do you assess the credit rationing theory in explaining the business cycles? [CO5]

16. In a 2×2 John's general equilibrium framework, show that factor prices depend only on product prices. [CO4]

17. Explain the core features of Prebisch's structuralist view of the world economy. [CO5]

18. What is Emmanuel Arghiri's interpretation of unequal exchange? [CO4]

Answer any *one* question : 8×1=8

19. Discuss Utsa Patnaik's theory of Ricardo's fallacy and its implications for international trade. [CO5]

20. Critically explain the efficiency wage model of Stiglitz and Weiss. [CO3]

Internal Assessment - 10 marks
