

TDC (CBCS) Even Semester Exam., 2024

ECONOMICS

(6th Semester)

Course No. : ECODSE-601T

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

Candidates have to answer *either* Option—A
or Option—B or Option—C or Option—D or
Option—E or Option—F

OPTION—A

Course No. : ECODSE-601T (A)

(Applied Econometrics)

UNIT—I

1. Answer any *four* of the following questions :

1×4=4

- (a) What is the meaning of 'linear regression model' in an econometric analysis?

- (b) Define hypothesis in an empirical econometric research.
- (c) What is random disturbance in econometric model?
- (d) Which are the sources of data in an econometric research?
- (e) What are the regression coefficients?

2. Answer any *one* of the following questions : 2

- (a) What is hypothesis testing in empirical econometric model?
- (b) Distinguish between estimator and parameter.

3. Answer any *one* of the following questions : 8

- (a) Explain the stages in empirical econometric research.
- (b) Explain the causes behind biased and inconsistent estimators in OLS regression.

UNIT—II

4. Answer any *four* of the following questions :

1×4=4

- (a) What is heteroscedasticity problem in econometric analysis?

24J/882

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- (b) What is misspecification problem in econometric analysis?
- (c) Write the double-log functional form.
- (d) Define autocorrelation problem in econometric model.
- (e) Define the concept of population regression function (PRF).

5. Answer any *one* of the following questions : 2

- (a) Why is model selection necessary in econometric analysis?
- (b) Which diagnostic tests are used in econometrics?

6. Answer any *one* of the following questions : 8

- (a) Write a note on the various functional forms used in econometric analysis.
- (b) Write a note on the model selection criteria in an econometric analysis.

UNIT—III

7. Answer any *four* of the following questions :

1×4=4

- (a) What is dynamic econometric model?
- (b) Define autoregressive econometric model.

24J/882

(Turn Over)

(4)

- (c) What is simultaneous equation model in econometrics?
- (d) Write the instrumental variables in econometrics.
- (e) What are distributed lag models in dynamic analysis?

8. Answer any *one* of the following questions : 2

- (a) Mention any two types of dynamic econometric models.
- (b) Mention any two consequences of ignoring simultaneity in simultaneous equation system.

9. Answer any *one* of the following questions : 8

- (a) Explain, in detail, the two-stage least square estimation.
- (b) Distinguish between structural and reduced forms of equations in simultaneous equation models.

UNIT—IV

10. Answer any *four* of the following questions :

1×4=4

- (a) Define panel data.
- (b) What is scatter diagram?

24J/882

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(5)

- (c) Which test is used in panel data model?
- (d) Define least square dummy variable model.
- (e) How do we test for overall significance of a regressive model?

11. Answer any *one* of the following questions : 2

- (a) What is random effect model in panel data?
- (b) Write any two limitations of fixed effects model.

12. Answer any *one* of the following questions : 8

- (a) Why do we observe heteroscedasticity in cross-section data?
- (b) Explain the fixed effects model (FEM) of panel data estimation.

UNIT—V

13. Answer any *four* of the following questions :

1×4=4

- (a) Write the minimum number of observations required to estimate panel data in GRETL.
- (b) How is data imported in EViews?

24J/882

(Turn Over)

(6)

- (c) What is command for regression in STATA?
- (d) Write about GENR command in EViews.
- (e) Define econometric software package.

14. Answer any *one* of the following questions : 2

- (a) How is a new variable created in GRET software?
- (b) How is data imported in STATA IT software package?

15. Answer any *one* of the following questions : 8

- (a) Explain the functions along with the advantages of STATA software.
- (b) Explain the advantages and disadvantages of EViews Windows.

(7)

OPTION—B

Course No. : ECODSE-601T (B)

(Financial Economics)

UNIT—I

1. Answer any *four* of the following questions :

1×4=4

- (a) What is the basic principle of portfolio theory?
- (b) What is real theory of interest?
- (c) What determines the interest rate according to loanable fund theory?
- (d) What is yield curve?
- (e) Define forward rate of an asset.

2. Answer any *one* of the following questions : 2

- (a) Distinguish between the terms 'structure' and 'yield curve'.
- (b) What does it mean to immunize a portfolio?

3. Answer any *one* of the following questions : 8

- (a) Discuss critically present value criterion of investment decision.

(8)

- (b) (i) Distinguish between spot rates and forward rates in portfolio management. 4
- (ii) What is duration? What are the factors that affect bond's duration? 4

UNIT—II

4. Answer any *four* of the following questions :
1×4=4

- (a) What is an example of a single-period inventory?
- (b) What is a portfolio in asset management?
- (c) Mention one example of risk-free assets.
- (d) Write one assumption of mean-variance analysis of portfolio theory.
- (e) What is the formula for portfolio variance?

5. Answer any *one* of the following questions : 2

- (a) Distinguish between return on assets and return on investment.
- (b) What assets are held in portfolio?

6. Answer any *one* of the following questions : 8

- (a) Write a note on the following :
(i) Portfolio mean and variance
(ii) One-fund theorem

(9)

- (b) What is portfolio? What are the factors that affect portfolio allocation? Write briefly the need for portfolio management. 2+3+3=8

UNIT—III

7. Answer any *four* of the following questions :
1×4=4

- (a) Define capital market line.
- (b) What is the full form of CAPM?
- (c) What is security market line?
- (d) Mention one use of beta of a portfolio.
- (e) Write one example of secondary market.

8. Answer any *one* of the following questions : 2

- (a) Write two usefulnesses of capital asset pricing model in investment analysis.
- (b) Mention two uses of CAPM in investment analysis.

9. Answer any *one* of the following questions : 8

- (a) (i) Distinguish between capital market line and security market line. 4
- (ii) Write a note on portfolio beta. 4

(10)

- (b) (i) Differentiate between beta of an asset and beta of a portfolio. 4
- (ii) What are the uses of CAPM in pricing formula? 4

UNIT—IV

10. Answer any *four* of the following questions :

1×4=4

- (a) Mention one factor that affects option prices.
- (b) What are NIFTY futures?
- (c) What are F-trading and O-trading?
- (d) Write the formula of put-call parity.
- (e) What does parity mean in options?

11. Answer any *one* of the following questions : 2

- (a) Throw light on the term 'structure of interest rate'.
- (b) Distinguish between strips and straps.

12. Answer any *one* of the following questions : 8

- (a) Discuss briefly the different options trading strategies. What are the usefulnesses of arbitrage as options trading strategies? 5+3=8

24J/882

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(11)

- (b) (i) What are the uses of futures as hedging? 4
- (ii) Differentiate between forward and future prices. 4

UNIT—V

13. Answer any *four* of the following questions :

1×4=4

- (a) Define corporate debt.
- (b) What is common stock?
- (c) What is a bond?
- (d) Put one example of common stock.
- (e) Write one feature of corporate financing.

14. Answer any *one* of the following questions : 2

- (a) What is corporate finance?
- (b) Differentiate between common stock and preferred stock.

15. Answer any *one* of the following questions : 8

- (a) Discuss the principles of corporate finance. Discuss briefly the functions of corporate finance. 4+4=8
- (b) (i) Distinguish between corporate debt policy and dividend policy. 4
- (ii) Discuss the role of dividend policy in shaping corporate debt policy. 4

24J/882

(Turn Over)

(12)

OPTION—C

Course No. : ECODSE-601T (C)

(International Economics)

UNIT—I

1. Answer any *four* of the following questions :

1×4=4

- (a) Who developed the principle of reciprocal demand?
- (b) Write one assumption of absolute cost advantage theory.
- (c) Define terms of trade.
- (d) What do you mean by the term 'gains from specialization'?
- (e) What is called a capital abundant nation?

2. Answer any *one* of the following questions : 2

- (a) Distinguish between 'absolute' and 'comparative' advantage.
- (b) Point out two differences between interregional and international trade.

(13)

3. Answer either (a) or (b) :

8

- (a) What is an offer curve? How is it derived? 2+6=8
- (b) Critically discuss the classical comparative cost advantage theory of international trade.

UNIT—II

4. Answer any *four* of the following questions :

1×4=4

- (a) Write one superiority of Heckscher-Ohlin model over classical model.
- (b) Define a community indifference curve.
- (c) Was Heckscher-Ohlin theory of international trade a static equilibrium analysis?
- (d) What is Leontif paradox?
- (e) What is meant by factor intensity reversal?

5. Answer any *one* of the following questions : 2

- (a) Write two assumptions of Heckscher-Ohlin theory.
- (b) Define the physical criterion of factor abundance.

(14)

6. Answer either (a) or (b) : 8

- (a) Examine critically the Heckscher-Ohlin theory of international trade.
- (b) "International trade in goods and services is a substitute for international movements of labour and capital." Examine and evaluate this statement.

UNIT—III

7. Answer any four of the following questions :
1×4=4

- (a) Define outsourcing.
- (b) What is economies of scale?
- (c) Mention one side effect of dumping.
- (d) What is called localization of production?
- (e) Define global value chain.

8. Answer any one of the following questions : 2

- (a) How does the new theory of trade developed by Krugman oppose the old theories of trade?
- (b) Cite two factors that influence international location decisions.

(15)

9. Answer either (a) or (b) : 8

- (a) Outline the key features of Krugman's theory of trade. Point out the key advantages of this theory. 4+4=8
- (b) Explain the benefits and challenges of outsourcing. 4+4=8

UNIT—IV

10. Answer any four of the following questions :
1×4=4

- (a) What are tariffs?
- (b) Define quotas in trade policy.
- (c) What is the purpose of subsidies in trade?
- (d) State one problem of import subsidy.
- (e) What is called multilateral trade?

11. Answer any one of the following questions : 2

- (a) Define the term 'trade liberalization'.
- (b) Point out two arguments for free trade.

12. Answer either (a) or (b) : 8

- (a) Explain how tariffs and quotas impact international trade flows and market dynamics.
- (b) Discuss the key aspects of the political economy of trade policies.

(16)

UNIT—V

13. Answer any *four* of the following questions :

1×4=4

- (a) Define currency pegging.
- (b) What is balance of payments crisis?
- (c) Define the term 'real exchange rate'.
- (d) Mention one benefit of financial globalization.
- (e) What are floating exchange rates?

14. Answer any *one* of the following questions : 2

- (a) Write the concept of currency devaluation.
- (b) Write two objectives of IMF.

15. Answer either (a) or (b) : 8

- (a) Distinguish between fixed exchange rate and flexible exchange rate systems. How is flexible exchange rate determined in free market?
- (b) Describe the role of speculative activities in influencing exchange rate under flexible exchange rate system.

(17)

OPTION—D

Course No. : ECODSE-601T (D)

[**Economic History of India (1857-1947)**]

UNIT—I

1. Answer any *four* of the following as directed :

1×4=4

- (a) What do you mean by colonialism?
- (b) Mention the name of an important infra-structural development during colonial period.
- (c) Mention a feature of Indian economy during British rule.
- (d) "During British rule, Indian economy was a self-reliant economy."
(Write True or False)
- (e) Name the city in which the British East India Company set up its first factory.

2. Answer any *one* of the following questions : 2

- (a) Write any two positive impacts of the British rule in India.
- (b) Mention two challenges faced by Indian economy during colonial period.

(18)

3. Answer any *one* of the following questions : 8

- (a) Explain the major features of Indian economy during colonial rule (1857-1947).
- (b) Discuss the main focus of economic policies pursued by the Colonial Government in India. What were the impacts of such policies on the Indian economy?

5+3=8

UNIT—II

4. Answer any *four* of the following as directed :

1×4=4

- (a) Define national income.
- (b) Who calculated national income for the first time in India during colonial rule?
- (c) What was the life expectancy of Indian people under the British rule?
- (d) The first official 'census' was introduced in India in ____.
- (e) What is population explosion?

(Fill in the blank)

(19)

5. Answer any *one* of the following questions : 2

- (a) Mention any two reasons of low per capita income during the British rule.
- (b) Write two points of occupational structure of India during colonial period.

6. Answer any *one* of the following questions : 8

- (a) Discuss the nature and composition of national income during colonial rule.
- (b) Explain the occupational structure of India before Independence.

UNIT—III

7. Answer any *four* of the following questions :

1×4=4

- (a) Define land relation.
- (b) What do you mean by commercialization of agriculture?
- (c) Mention any two major commercial crops which were produced in India during the British rule.
- (d) Mention one informal source of credit during colonial rule.
- (e) State one cause of low agricultural productivity during the British rule.

(20)

8. Answer any *one* of the following questions : 2

- (a) Mention any two features of Indian agriculture during colonial rule.
- (b) Why did famines disappear in India after 1943?

9. Answer any *one* of the following questions : 8

- (a) Explain the important causes of agricultural stagnation during colonial period in India.
- (b) Explain the change in agrarian structure and land relation during the colonial rule.

UNIT—IV

10. Answer any *four* of the following questions :

1×4=4

- (a) What is deindustrialization?
- (b) Define industrial structure.
- (c) What do you mean by small-scale industry?
- (d) What was the condition of Indian Railways under the British rule?
- (e) Mention one constrain to industrial break through during the colonial rule.

(21)

11. Answer any *one* of the following questions : 2

- (a) Mention any two causes behind the development of railways by the British Government.
- (b) Write two natures of industrialization during the interwar period.

12. Answer any *one* of the following questions : 8

- (a) Elucidate the nature of industrial development during the British rule.
- (b) Critically evaluate the shortfalls of industrial policies pursued by the British colonial Government. In this context, explain the two-fold motives of systematic deindustrialization in India.

5+3=8

UNIT—V

13. Answer any *four* of the following questions :

1×4=4

- (a) What do you mean by drain of wealth?
- (b) Name the three taxes imposed by the British Government on Indian people.
- (c) Who controlled India's foreign trade during the British rule?

(22)

(d) What do you mean by British imperialism?

(e) Define capital flows.

14. Answer any *one* of the following questions : 2

(a) Mention any two negative impacts of drain of wealth on Indian economy during the British rule.

(b) State the nature of capital flows in the colonial period of India.

15. Answer any *one* of the following questions : 8

(a) Discuss the imperial priorities in India during the British rule. How did British justify imperialism in India? 5+3=8

(b) Discuss the volume and direction of foreign trade during colonial period.

(23)

OPTION—E

Course No. : ECODSE-601T (E)

(Economic Development and Policy in India—II)

UNIT—I

1. Answer any *four* of the following questions :

1×4=4

(a) Mention one important feature of Indian agricultural sector.

(b) Mention one merit of cooperative farming.

(c) What do you mean by agricultural productivity?

(d) Mention one source of non-institution credit.

(e) What is agricultural marketing?

2. Answer any *one* of the following questions : 2

(a) What do you mean by regulated market?

(b) Mention two problems associated with the agricultural sector.

3. Answer any *one* of the following questions : 8

(a) Explain briefly about the factors responsible for determining cropping pattern.

(b) Explain the role of agriculture on the economy of India.

(24)

UNIT—II

4. Answer any *four* of the following questions :

1×4=4

- (a) What do you mean by regional planning?
- (b) What is called Ryotwari tenure?
- (c) Name the three types of land tenure system prevalent in India during the pre-Independence period.
- (d) What is the main objective of agricultural price policy in India?
- (e) When was the first National Agricultural Policy announced?

5. Answer any *one* of the following questions : 2

- (a) What is the need of agricultural price policy in India?
- (b) Which are the States where land reform has attained success?

6. Answer any *one* of the following questions : 8

- (a) Explain the effectiveness of various land reform measures introduced in India.
- (b) What do you mean by agricultural price policy? Explain the main features of agricultural price policy of the government since Independence. 2+6=8

24J/882

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(25)

UNIT—III

7. Answer any *four* of the following questions :

1×4=4

- (a) What is large-scale industry?
- (b) Point out one feature of small-scale industry.
- (c) Which Five-Year Plan first laid stress on development of heavy and capital goods industries in India?
- (d) What is FDI?
- (e) What is the difference between public sector and private sector?

8. Answer any *one* of the following questions : 2

- (a) Mention any two problems of public sector enterprises in India.
- (b) Mention two differences between small-scale industries and cottage industries.

9. Answer any *one* of the following questions : 8

- (a) Analyze the trends of industrial production in India since Independence.
- (b) Write a critical note on the performance of public sector enterprises.

UNIT—IV

10. Answer any *four* of the following as directed :

1×4=4

- (a) When was the first industrial policy introduced in India?

24J/882

(Turn Over)

- (b) The Industries (Development and Regulation) Act, 1951 aimed to protect small-scale industries from large-scale industries.

(Write True or False)

- (c) Does industrial licensing policy led to under-utilisation of production capacity?

(Write Yes or No)

- (d) What do you mean by start up ?

- (e) As per the Industrial Policy Resolution, 1956, first category industries were owned only by the ____.

(Fill in the blank)

11. Answer any *one* of the following questions : 2

- (a) What are the reasons to establish small-scale industries in India as per the Indian industrial policy?
- (b) Mention any two merits of New Industrial Policy, 1991.

12. Answer any *one* of the following questions : 8

- (a) Explain the evolution of Indian Industrial Policy since Independence.
- (b) Explain critically about the Indian Industrial Policy, 1991.

UNIT—V

13. Answer any *four* of the following questions :

1×4=4

- (a) What is balance of payments?
- (b) Write the full form of WTO.
- (c) What is import substitution?
- (d) Name one invisible trade item.
- (e) What is the full form of GATT?

14. Answer any *one* of the following questions : 2

- (a) What are the differences between BOP and BOT?
- (b) What is the importance of foreign trade in a developing country?

15. Answer any *one* of the following questions : 8

- (a) Discuss the changes in composition and direction of India's foreign trade in the post-reform period.
- (b) Examine India's gain from trade with special reference to the post-WTO era.

OPTION—F

Course No. : ECODSE-601T (F)

(Public Finance)

UNIT—I

1. Answer any *four* of the following questions :

1×4=4

- (a) Point out one importance of public finance.
- (b) Who has developed the pure theory of public finance?
- (c) What is the main objective of public finance?
- (d) Mention one distinction between public finance and private finance.
- (e) Who has put forward the principle of maximum social advantage?

2. Answer any *one* of the following questions : 2

- (a) Is public finance a science or an art?
- (b) Point out two similarities between private finance and public finance

3. Answer *either* (a) or (b) : 8

- (a) Describe in brief the subject matter of public finance.
- (b) Explain in detail the allocation function of public finance.

UNIT—II

4. Answer any *four* of the following questions :

1×4=4

- (a) Define public revenue.
- (b) Mention two sources of public revenue.
- (c) Point out one merit of direct tax.
- (d) What is fiscal policy?
- (e) Give two examples of plan expenditure.

5. Answer any *one* of the following questions : 2

- (a) Define subsidy. Give an example.
- (b) Write down two merits of progressive tax.

6. Answer *either* (a) or (b) : 8

- (a) Explain the significance of public expenditure in a modern economy.
- (b) Discuss the effects of public expenditure on production and employment.

UNIT—III

7. Answer any *four* of the following questions :

1×4=4

- (a) Name one type of regressive tax.
- (b) Write two examples of non-tax revenue.
- (c) Point out one demerit of indirect tax.
- (d) What is 'ad valorem tax'?
- (e) Define tax elasticity.

8. Answer any *one* of the following questions : 2

- (a) Distinguish between tax revenue and non-tax revenue.
- (b) What is the difference between tax evasion and tax avoidance?

9. Answer *either* (a) or (b) : 8

- (a) Discuss the concept of 'ability to pay' in the theory of taxation. To what extent is income a satisfactory test of ability to pay? 5+3=8
- (b) Discuss the subjective approach of ability to pay theory. Mention any two limitations of this model. 6+2=8

UNIT—IV

10. Answer any *four* of the following questions :

1×4=4

- (a) Write one source of external debt.
- (b) What is called a productive debt?
- (c) Does internal debt increase the total availability of resources within the economy?
- (d) What is repudiation?
- (e) Mention one significance of public debt.

11. Answer any *one* of the following questions : 2

- (a) Write two causes of increase in public debt in recent years.
- (b) Point out two distinctions between internal debt and external debt.

12. Answer *either* (a) or (b) : 8

- (a) Discuss the main classification of public debt.
- (b) Explain the various economic effects of public debt.

UNIT—V

13. Answer any *four* of the following questions : 1×4=4

- (a) What is surplus budget?
- (b) Mention one objective of government budget.
- (c) Who constitutes the Finance Commission in India?
- (d) Name two sources of capital receipts.
- (e) What type of budget should be prepared during inflation?

14. Answer any *one* of the following questions : 2

- (a) Distinguish between revenue budget and capital budget.
- (b) Point out two recommendations of Fifteenth Finance Commission.

15. Answer *either* (a) or (b) : 8

- (a) Describe in brief the Revenue Account of a government budget.
- (b) Discuss the key features of the Union Budget 2024–2025.

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