

**2022/TDC (CBCS)/EVEN/SEM/
ECODSE-601T (A/B/C/D/E/F)/511**

TDC (CBCS) Even Semester Exam., 2022

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*

Honours students will answer from *either*
Option—A or Option—B or Option—C and
Pass students will answer from *either*
Option—D or Option—E or Option—F

OPTION—A

(For Honours Students)

Course No. : ECODSE-601T (A)

(International Economics)

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. What is international economics?
2. Give one difference between internal trade and international trade.

(2)

3. Write one assumption of comparative cost theory of international trade.
4. Name the economist whose name is associated with the theory of reciprocal demand of international trade.
5. What do you mean by 'static gains' from international trade?
6. Write one criticism of the Heckscher-Ohlin theory of international trade.
7. What is factor endowment?
8. What is factor price line?
9. What does factor intensity mean?
10. Give one assumption of factor-price equalization theorem.
11. Who developed the theory of representative demand in international trade?
12. What does a specific factor mean?
13. What is transfer pricing?
14. What does onshoring mean?
15. What is horizontal FDI?

(3)

16. Name one non-tariff barrier to international trade.
17. Write one objective of import quota.
18. Write one objective of dumping.
19. Mention one merit of free trade.
20. Name one economist who supported protection policy.
21. What does foreign exchange mean?
22. Define rate of exchange.
23. What is arbitrage?
24. What does bank run mean?
25. What is meant by stock market crash?

SECTION—B

Answer any *five* of the following questions : 2×5=10

26. Discuss two reasons why international trade takes place.
27. Give two criticisms of Adam Smith's theory of international trade.

(4)

28. What is Leontief paradox?
29. Is complete factor-price equalization possible? Discuss.
30. Discuss two critical factors in international location of production.
31. Discuss two characteristics of multinational enterprises.
32. Discuss two antidumping measures.
33. What is meant by sunset industry?
34. Discuss two advantages of fixed exchange rate.
35. Discuss two functions of foreign exchange market.

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$

36. Give an account of the various gains from international trade.
37. Define terms of trade. Discuss the important factors that influence terms of trade of a country. $2+6=8$

(5)

38. Discuss how Heckscher-Ohlin theory of international trade is better, superior and more scientific than the classical theory of international trade.
39. What is meant by factor intensity reversal? Discuss the existence and cause of factor intensity reversal. $2+6=8$
40. Critically discuss Vernon's product cycle theory of international trade.
41. What is outsourcing? Discuss three advantages and three disadvantages of outsourcing. $2+3+3=8$
42. What is trade policy? Give an account of the major instruments of trade policy. $2+6=8$
43. What is protection? Discuss the important reasons on which protection policy is supported in LDCs. $2+6=8$
44. What is financial globalization? Discuss the causes and impact of financial globalization. $2+6=8$
45. What is financial crisis? Discuss the types of financial crisis. $2+6=8$

(6)

OPTION—B

(For Honours Students)

Course No. : ECODSE-601T (B)

(**Financial Economics**)

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. What is a discount bond?
2. What do you mean by yield to maturity?
3. What is capital gain?
4. Define financial arbitrage.
5. What is interest rate risk?
6. What is a portfolio?
7. Define short selling.
8. What is diversification?
9. What is a risk-free asset?
10. Define feasible set.

(7)

11. Define capitalization weights.
12. What is price of risk?
13. What is meant by systematic risk?
14. Justify the use of single period cash flows in investment analysis.
15. What is capital market line?
16. What is meant by an underlying security?
17. Define forward contract.
18. What is hedging?
19. Define call option.
20. What is meant by marking to market?
21. What is paid-up capital?
22. What is a convertible debenture?
23. Which organization controls capital issues in India?
24. Define new issue market.
25. What are secondary securities?

(8)

SECTION—B

Answer any *five* of the following questions : $2 \times 5 = 10$

26. What is meant by present value of an asset?
27. Explain the concept of internal rate of return.
28. Name two models used for addressing uncertainty of asset returns.
29. What is meant by a feasible portfolio set?
30. Explain what is meant by capital market line.
31. What is the expected excess rate of return of an asset?
32. How are forwards different from futures?
33. What are interest rate futures?
34. Explain what is meant by capital structure of a firm.
35. Why are equities considered to be less risky than bonds (for firms)?

(9)

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$

36. What is immunization? How does it help to protect against interest rate risk?
37. What is spot rate of an asset? How is it determined?
38. State and explain the one-fund theorem.
39. Explain how the mean return of a portfolio and its variance are computed in case of single period cash flows.
40. Discuss the use of CAPM in the evaluation of investment portfolios.
41. Distinguish between location of an asset and portfolio. How are they determined?
42. Explain the process of derivative pricing.
43. What are swaps? Discuss the different types of swaps and outline their merits and demerits.
44. Discuss the emerging pattern of corporate financing in India.
45. What are the different types of dividend policy? How does the debt position of a firm affect its dividend policy?

(10)

OPTION—C

(For Honours Students)

Course No. : ECODSE-601T (C)

(**Applied Econometrics**)

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. What is an econometric model?
2. Define parameter in an econometric model.
3. What is hypothesis in an empirical econometric research?
4. What are the sources of data in an econometric research?
5. Define error term in an econometric model.
6. What is mis-specification problem in an econometric model?
7. Define the concept of population regression function (PRF).
8. What is a linear regression model?

(11)

9. What is autocorrelation problem in econometric analysis?
10. What is 'specification bias' in econometric analysis?
11. What is dynamic econometric model?
12. What is autoregressive model?
13. What are structural parameters in simultaneous equation model?
14. What are instrumental variables in econometrics?
15. Define two-stage least square method in instrumental variable estimation.
16. Define panel data in econometric analysis.
17. What is least square dummy variable (LSDV) model?
18. What is error component model?
19. Which test is used in panel data model?
20. Mention one advantage of panel data model.

(12)

21. Mention one advantage of econometric software package.
22. How is equation inserted in E-views?
23. What is the command for regression in Stata?
24. Mention one advantage of Stata.
25. What is the minimum number of observations required to estimate panel data in GRETL?

SECTION—B

Answer any *five* of the following questions : $2 \times 5 = 10$

26. Distinguish between null hypothesis and alternative hypothesis.
27. What is hypothesis testing in empirical econometric research?
28. Why is model selection necessary in econometric analysis?
29. What are the diagnostic tests used in econometrics?

(13)

30. What is autoregressive distributed lag model?
31. What is identification problem in a simultaneous equation model?
32. What are the methods of estimation in panel data model?
33. Mention the limitation of the fixed effect model.
34. How is a new variable created in GRETL software?
35. Mention the feature of E-views software.

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$

36. Explain the steps of hypothesis testing of an econometric model.
37. Explain the stages in empirical econometric research.

(14)

38. Write a note on model selection criteria in an econometric analysis.
39. What is heteroscedasticity? Mention some measures to solve the problem of heteroscedasticity.
40. Write a note on instrumental variable estimation model.
41. Explain the rank and order condition of simultaneous equation model.
42. What is fixed effect model (FEM)? How does the FEM allow for both time and space dimension in panel data analysis?
43. Write a note on random effect model of panel data estimation.
44. Write a short note on Stata software.
45. Write a note on the main areas of the E-views window.

(15)

OPTION—D

(For Pass Students)

Course No. : ECODSE-601T (D)

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

SECTION—A

Answer any *twenty* of the following as directed :
1×20=20

1. What do you mean by colonial exploitation?
2. Mention one dominant feature of 19th Century colonial economy.
3. What important administrative change had taken place in India after 1857 AD?
4. Name the city in which the British East India Company set up its first factory.
5. Point out one factor responsible for the bad shape of Indian economy under the British rule.
6. How much was the national income of India under the British rule?

(16)

7. Why is the year 1921 a landmark in the population history of India?
8. Name two economists who computed national income and per capita income of India under the British rule.
9. What was the life expectancy of Indian people under the British rule?
10. The first official 'Census' was introduced in India in _____.
(Fill in the blank)
11. What is meant by land relation?
12. Mention one cause of low agricultural productivity during colonial period.
13. Write one source of agricultural credit under the British rule.
14. What were the major commercial crops produced by India under the British rule?
15. Define agrarian structure.
16. What is deindustrialization?

(17)

17. State one feature of industrialization in India in the Interwar period.
18. In which year was railway introduced in India first?
19. What was the condition of Indian Railways under the British rule?
20. How was the industrial structure of India under the British Raj?
21. What were the three taxes imposed by Britishers on Indian people?
22. Define drain of wealth.
23. What was the condition of foreign trade under the British rule?
24. _____ tariff policy was adopted by Britishers.
(Fill in the blank)
25. Mention one positive effect of the British imperialism.

(18)

SECTION—B

Answer any *five* of the following questions : 2×5=10

26. Write any two positive effects of the British rule in India.
27. State any two consequences of colonial exploitation of India.
28. Define occupational structure of Indian economy.
29. What were the birthrate and death rate of India under the British rule?
30. Write two main causes of frequent famines in India under the British rule.
31. Define commercialization of agriculture.
32. Point out two constraints to industrial breakthrough in India under the British period.
33. Write any two consequences of railways on the economic condition of India.
34. State two consequences of drain of wealth on India.
35. Write two main features of India's international trade.

(19)

SECTION—C

Answer any *five* of the following questions : 8×5=40

36. Analyze the impact of colonial rule on the Indian economy since 1857.
37. Elucidate the main features of the Indian economy under colonial rule (1857–1947).
38. Explain the trend and magnitude of national income and per capita estimates of India under the British rule.
39. Discuss the demographic features of Indian economy under the British period.
40. Discuss the trends in performance and productivity of major crops in India under the British period.
41. Analyze the marketing system of agricultural crops in India under the British period.
42. Explain the evolution of industrial and entrepreneurial structure in India under the British period.

(20)

43. Critically analyze the deindustrialization debate. Add a note on decay of Indian handicraft under the British rule. 5+3=8
44. Critically examine the theory of drain of wealth.
45. Examine the condition of foreign trade and capital flows in India under the British rule.

OPTION—E

(For Pass Students)

Course No. : ECODSE-601T (E)

(Economic Development and Policy in India—II)

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. Define agricultural productivity.
2. What is called diversification?
3. Name two non-institutional sources of agricultural credit.
4. What is called cooperative marketing?

(21)

5. Define a regulated market.
6. What is called Ryotwari tenure?
7. Write one measure for land reform in India.
8. Name the three types of land tenure system prevalent in India during the pre-Independence period.
9. What is called consolidation of holding?
10. Which are the States where land reform has attained success?
11. What is called underutilization of plant capacity?
12. Define ICOR.
13. What is called a small-scale industry?
14. Which Five-Year Plan first laid stress on development of heavy and capital goods industries in India?

(22)

15. Why did the government introduce license system in IPR, 1956?
16. When was the first industrial policy introduced in India?
17. How many industries were there in Schedule-B of IPR, 1956?
18. What is the MRTP Act?
19. When did the government introduce NRF?
20. What was the popular name of VRS scheme at the initial stage?
21. Write one importance of foreign trade in a developing country.
22. Give two examples of unilateral transfers.
23. Name two invisible trade items.
24. Define a deficit budget.
25. What are called non-factor payments?

(23)

SECTION—B

Answer any *five* of the following questions : 2×5=10

26. Point out two roles of agriculture in Indian economy.
27. Write two importances of diversification of agriculture.
28. Point out two goals of fixation of upper ceiling in land reform.
29. What is minimum support price?
30. Mention one objective of forming State Industrial Development Corporation (SIDC).
31. Write two differences between small-scale and cottage industries.
32. Point out two features of the IPR, 1956.
33. Name two measures taken for liberalization of Indian economy after 1991.

(24)

34. Write the different components of Capital Account of a balance of payments.
35. Point out two distinctions between balance of trade and balance of payments.

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$

36. Explain the role of agriculture on the economy of India.
37. Write in brief about the trends in agricultural production and productivity in India.
38. Analyze the condition of agricultural labourers in India. Point out the factors responsible for the poor conditions of farm workers in India. $4+4=8$
39. Explain the effectiveness of various land reform measures introduced in India.
40. Make a critical evaluation of agricultural price policy in India.
41. Analyze the trends of industrial production in India since Independence.

(25)

42. Critically discuss the Industrial Policy, 1991.
43. Discuss the role of private sector in the light of new industrial policy.
44. Explain the factors responsible for balance of payments crisis in India in recent years. Point out two measures to solve the problem of deficit in BoP. $6+2=8$
45. Discuss the changes in composition and direction of India's foreign trade in the post-reform period.

OPTION—F

(For Pass Students) -

Course No. : ECODSE-601T (F)

(Public Finance)

SECTION—A

Answer any *twenty* of the following as directed : $1 \times 20 = 20$

1. Who defines public finance as 'the study of the principles underlying the spending and raising of funds by public authority'?

(26)

2. Write one major fiscal function of the government.
3. What is Just distribution?
4. The term 'functional finance' is associated with
 - (a) Dalton
 - (b) Smith
 - (c) A. P. Lerner
 - (d) Higgins

(Choose the correct answer)

5. Mention one role of public finance in a developing economy.
6. Define the nature of public revenue.
7. What is meant by shifting of a tax?
8. Mention one canon of public expenditure.
9. _____ is the final resting place of the burden of tax.

(Fill in the blank)

(27)

10. Write one merit of indirect tax.
11. Write one example of progressive tax.
12. What is vertical equity?
13. Mention one feature of good tax.
14. What is taxable capacity?
15. Write one advantage of benefit approach to taxation.
16. Write one important objective of public debt.
17. What is external burden of public debt?
18. Mention one advantage of debt redemption.
19. What is capital levy?
20. Write one example of unproductive public debt.
21. Who prepares the Union Budget of India?

(28)

22. How many sets of data does the Union Budget have?
23. The highest share in Budget Receipts of 2021-22 is
- (a) corporate tax
 - (b) excise duties
 - (c) custom duties
 - (d) borrowings and other liabilities
- (Choose the correct answer)
24. What is the largest item of expenditure in the Union Budget, 2021-22?
25. Mention one importance of government budget.

SECTION—B

Answer any *five* of the following questions : $2 \times 5 = 10$

26. Briefly explain stabilization function of the government.
27. Distinguish between public finance and private finance.

(29)

28. Distinguish between direct tax and indirect tax.
29. Briefly explain the effect of public expenditure on unemployment.
30. Write the concept of proportional tax with diagram.
31. Explain the concept of equal marginal sacrifice.
32. How can a country come out of debt trap?
33. Distinguish between funded and non-funded debts.
34. Write two major recommendations of the latest Finance Commission.
35. What are the key highlights of the Union Budget, 2022-23?

(30)

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$

36. What is public finance? Discuss its scope. $2+6=8$
37. What is the nature of public finance? Discuss the similarities between public finance and private finance. $3+5=8$
38. Analyze the causes of growing public expenditure in modern times.
39. Explain various sources of public revenue in India.
40. Discuss the ability-to-pay approach of taxation. What are its demerits? $5+3=8$
41. Explain the Lindahl model of benefit principle of taxation.
42. Explain the burden of public debt. How does it affect future generation? $5+3=8$

(31)

43. What are the causes of public debt? Describe the role of public debt in developing countries. $3+5=8$
44. Illustrate the Revenue Account and Capital Account of the last Union Budget of India.
45. What is Finance Commission? Explain the main functions and roles of the Finance Commission of India. $2+6=8$

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