

C.S.E. ECONOMICS (MAIN) - 2004

PAPER - I

Time Allowed: Three Hours

Maximum Marks: 300

Candidates should attempt Questions 1 and 5 which are compulsory and any three of the remaining questions selecting at least one question from each Section.

SECTION A

1. Answer any *three* of the following questions. Each answer should not exceed 200 words: 20 x 3 = 60
 - (a) Show that the exponents of the Cobb-Douglas production function are a measure of the factor share in output as well as the elasticity of output with respect to the factor.
 - (b) Do you agree with the view that in competitive banking environment, the Bank Rate has lost its effectiveness to control credit? Give reasons for your answer.
 - (c) Lately, too much concern has been shown regarding the size of the fiscal deficit; what matters more is the reason for the deficit rather than the size. Comment.
 - (d) Trace out the relationship between increasing foreign exchange reserves and money supply.
2. Critically examine Mundell's approach for the effective use of monetary and fiscal policy to attain macro balances. 60
3. Explain Patinkin's approach to integrate the Value theory and Monetary theory. 60
4. Distinguish between the effect and incidence of direct taxation. How do direct taxes affect the production and savings in the economy. 60

SECTION B

5. Answer any three of the following questions. Each answer should not exceed 200 words: 20 X 3 =60
 - (a) What is Kuznet's hypothesis? What are its implications for a developing economy?
 - (b) Explain Leontief paradox.
 - (c) Is Wagner hypothesis an adequate explanation of increase in public expenditure in recent times? Explain.
 - (d) What do you understand by tax buoyancy and elasticity of tax revenue?
6. What is a Customs' Union? Discuss the effects of a Customs' Union formation under partial equilibrium conditions. 60
7. Major theories of growth namely, Classical, Marxian, Keynesian and Schumpeterian, all predict crisis in the later stages of capitalist development. Comment and give reasons for your answer 60
8. What are the main features of Neoclassical growth theory? Explain them with the help of Solow's growth model. 60

PAPER - II - 2004

Time Allowed: Three Hours

Maximum Marks: 300

Candidates should attempt Questions 1 and 5 which are compulsory and any three of the remaining questions selecting at least one question from each Section.

SECTION A

1. Answer any *three* of the following in about 200 words each: 20 x 3=60
 - (a) Discuss the 'Drain of Wealth Controversy' of the late 19th century.
 - (b) Make a critical appraisal of the Common Minimum Programme.
 - (c) Discuss the rationale of government subsidies to various categories of goods in India. Is granting subsidies to non-merit goods justified?
 - (d) What is the role of the State in economic development in India in the context of globalisation and privatisation?
2. Suggest appropriate strategies for self-sustained employment generation in the rural economy of India. Do you think that the proposed National Employment Guarantee Act is a model safety net for those without work? 60
3. What is the role of the small- scale industries in the Indian economy? Discuss briefly the main recommendations of the Study Group on Development of Small Enterprises. 60
4. Enumerate the recommendations of the Committee on Banking Sector Reforms (1998) in India. What follow-up actions have been undertaken by the Government for implementing these recommendations? 60

SECTION B

5. Answer any *three* of the following in about 200 words each: 20 x 3 = 60
 - (a) Has WTO helped the developing countries as was professed at the time of its establishment? Give reasons for your answer with reference to the Indian economy.
 - (b) Discuss the Kelkar Task Force recommendations on indirect taxes. Has the Government implemented them?
 - (c) In what ways have banks in India diversified their functions and adopted new technologies since their nationalisation?
 - (d) Examine the need for foreign capital in the Indian economy and discuss critically the Government policy on foreign direct investment.
6. Make an appraisal of economic reforms in India. What has been their impact on GDP growth, employment and poverty? 60
7. Account for the transition from central planning, to indicative planning in India. Do you think that adoption of PURA (Providing Urban Amenities in Rural Areas) attempts a reconciliation between employment and GDP growth objectives? 60
8. What are the recommendations of the Eleventh Finance Commission to reduce budget deficits? Enumerate the actions taken by the Government of India on them. 60