GENERAL ECONOMICS

PAPER—III

Time Allowed : Three Hours	Maximum Marks : 200

QUESTION PAPER SPECIFIC INSTRUCTIONS

**Please read each of the following instructions carefully
before attempting questions**

There are SIXTEEN questions divided under THREE Sections.

The ONLY question in Section—A is compulsory.

In Section—B, SIX out of NINE questions are to be attempted.

In Section—C, FOUR out of SIX questions are to be attempted.

Candidates should attempt questions/parts as per the instructions given in the Sections.

The number of marks carried by a question/part is indicated against it.

Wherever any assumptions are made for answering a question, they must be clearly indicated.

Diagrams/Figures, wherever required, shall be drawn in the space provided for answering the question itself.

Unless otherwise mentioned, symbols and notations have their usual standard meanings.

Candidates are required to write clear, legible and concise answers and to adhere to word limits, wherever indicated. Failure to adhere to word limits may be penalized.

Attempts of questions shall be counted in sequential order. Unless struck off, attempt of a question shall be counted even if attempted partly.

Any page or portion of the page left blank in the Question-cum-Answer (QCA) Booklet must be clearly struck off.

Answers must be written in ENGLISH only.

SECTION—A

1. Answer *all* the following parts in about *100* words each : 5×6=30

   (a) Name all the systemic changes that are required to enable public sector enterprises function like commercial enterprises.

   (b) Explain 'carrying capacity' in the context of renewable resources.

   (c) Why, in the presence of recycling capability, are metallic non-renewable resources eventually exhaustible?

   (d) What is price discrimination and how is it used to increase a monopoly's profit?

   (e) What are the components of revenue receipt in the budget of State Government in India?

   (f) What is carbon tax? Is it right time to introduce carbon tax in India? Substantiate.

SECTION—B

Answer any SIX questions out of the following NINE in about *200* words each : 15×6=90

2. What is 'balanced budget multiplier'? Is its value always equal to unity? Discuss.

3. What is sustainable national income? What modifications are required in the conventional national accounting system to arrive at an environmentally adjusted national income?

4. How can optimum level of pollution be achieved through the use of pollution vouchers?

5. Differentiate between 'revenue deficit' and 'fiscal deficit'. What are the successes and failures of the Fiscal Responsibility and Budget Management (FRBM) Act, 2003?

6. "Both the market structure and innovative activities are endogenous." Discuss this using the Neo-Schumpeterian framework.

7. What is decentralized planning? Why is the district plan not integral to the planning process despite its constitutional mandate?

8. What is contestable market? What are its determinants? What are the operational setbacks of the market?

9. What is market concentration? How can it be measured using Dispersion Index?

10. What are the rationales and objectives of economic planning in a developing country?

Section—C

Answer any FOUR questions out of the following SIX in about *300* words each : 20×4=80

11. "The expansionary impact of fiscal policy is offset by the rise in the value of the currency." Examine this statement in the context of an emerging economy.

12. What are the approaches to regulate environment? Evaluate these approaches in terms of their cost and efficiency.

13. In the theories of firm, the 'behavioural' theory postulates the 'satisficing' behaviour as opposed to the 'maximizing' principle. Elucidate.

14. Differentiate between the Goods and Services Tax (GST) and Value Added Tax (VAT) in terms of their operations in Indian Federation.

15. Can disinvestment of public sector enterprises and the notion of 'Welfare State' go together? Critically examine.

16. "Sustainable development is a distant dream." Examine this statement in view of international conventions.

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