



UNIVERSITY OF NORTH BENGAL

B.A. Honours Part-II Examination, 2020

ECONOMICS

PAPER-III

Time Allotted: 2 Hours

Full Marks: 50

The figures in the margin indicate full marks.

GROUP-A

MICROECONOMICS

SECTION-I

1. Answer any *two* questions: 2 $\frac{1}{2}$ \times 2 = 5
- (a) What is meant by quasi-rent?
 - (b) What do you mean by monopoly power?
 - (c) What is meant by collective bargaining?
 - (d) Define price discrimination.
 - (e) Does rent enter into price from the view point of a farmer?

SECTION-II

Answer any one question

2. Discuss the view that economic rent of a factor income depends on the elasticity of supply of that factor. 10 \times 1 = 10
3. Compared to the short-run equilibrium conditions, what additional condition a firm has to satisfy to be in long-run equilibrium under monopolistic competition? 10
4. Show that profit under monopolistic price discrimination will generally be larger than that under single-price monopoly. 10
5. Write short notes on the following: 5+5 = 10
- (a) Second degree price discrimination
 - (b) Pareto optimality.

SECTION-III

Answer any one question

6. (a) Define each of the following with suitable illustration: 10 \times 1 = 10
- (i) External diseconomies in consumption
 - (ii) External diseconomies in production.
- (b) Discuss how the price mechanism fails to generate efficient resource allocation in the presence of externalities. 2+2+6=10

7. Write short notes on:

$2\frac{1}{2} \times 4 = 10$

- (a) Sales revenue maximisation
- (b) Price leadership models
- (c) Market failure
- (d) Walrasian conditions of stability.

GROUP-B
MACROECONOMICS
SECTION-I

8. Answer any *two* questions:

$2\frac{1}{2} \times 2 = 5$

- (a) What is life cycle hypothesis?
- (b) What do you mean by 'mark-up' inflation?
- (c) Explain the concept of inflationary gap.
- (d) How is capital-output ratio related to the warranted rate of growth?
- (e) What is flexible accelerator?

SECTION-II

Answer any one question

$10 \times 1 = 10$

9. Critically examine Hicks' theory of trade cycles.

10

10. Critically discuss the usefulness of the concept of inflationary gap in analysing the process of inflation for a closed economy.

10

11. Explain Samuelson's model of business cycle on the basis of interaction between the multiplier and the accelerator.

10

12. State and prove Harrod's knife edge instability theorem.

10

SECTION-III

Answer any one question

$10 \times 1 = 10$

13.(a) Distinguish between 'permanent' and 'transitory' components in observed income consumption relationship.

$2+5+3=10$

(b) How does the permanent income hypothesis attempt to reconcile between the short-run variability and long-run consistency of saving-income ratio?

(c) How does this hypothesis explain that the short-run MPC is less than the secular MPC?

14. Write short notes on:

$2\frac{1}{2} \times 4 = 10$

- (a) Long-run Phillips curve
- (b) Demand pull inflation
- (c) Golden rule of Capital stock
- (d) MEC and MEI.

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