

Code—07

ECONOMICS

Time : 3 Hours

Maximum Marks : 150

Note : Attempt *Five* questions in all. All questions carry equal marks. Q. No. 1 is compulsory. Answer any *two* questions from Part I and *two* questions from Part II. The parts of the same questions must be answered together and must not be interposed between answers to other questions.

1. Write critical notes on any *four* of the following : (4×7½=30)
 - (a) Per Capita National Income as a measure of national well-being.
 - (b) Foreign exchange reserves are not necessary under free and flexible exchange rate system.

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- (c) Growth led export and export led growth for developing countries.
- (d) Agricultural Sector can play vital role in increasing exports of India.
- (e) Poverty removal programmes in India failed to reduce poverty effectively.
- (f) The process of economic reforms in India have aggravated economic and social disparities.

Part I

2. What are the salient differences between Fisher's equation and Cambridge equation for Value of Money ? Which of these do you prefer and why ? (30)
3. Bring out the role of "human capital" in economic development of a country. Would you agree with the view that this critical role has not been appreciated in most of the Growth model ? give reasons. (30)

4. Explain main characteristics of Oligopoly market. Does the Kinked demand curve solution offer a satisfactory explanation of price-output decisions under oligopoly ? (30)

Part II

5. Distinguish between direct subsidies, cross subsidies and covert subsidies. What role do the subsidies play in agricultural development of India ? (30)
6. "In spite of its drawbacks, the public sector has an important role to play in a vast and poor country like India." Examine this statement critically ? (30)
7. Explain the meaning of deficit financing and discuss its role and limitation for promoting economic development in India. (30)