

HLS (Ex.) 2009

Code - 07

ECONOMICS

Time : 3 Hours

Maximum Marks : 150

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

1. Write notes on any four of the following : (4 x 7.5 = 30)
- India suffers from several serious problems like those of regional disparities.
 - Does deficit financing inevitably lead to inflation?
 - Supply creates its own demand.
 - The concept of consumer's surplus is hypothetical, imaginary and illusory.
 - Firm is a price taker not a price maker under perfect competition.
 - The value of money, other things remaining same, varies inversely with its quantity.

PART - I

2. Distinguish between 'balance of trade' and 'balance of payment'. What are the causes of disequilibrium in the balance of payments? How disequilibrium can be removed? (30)
3. Distinguish between 'cost-push' and 'demand-pull' inflation. Discuss measures to control inflation. (30)
4. Distinguish between perfect competition and monopoly. Discuss equilibrium of a firm under perfect competition in short run and long run both. (30)

PART - II

5. Describe causes of slow progress of land reforms in India. What efforts have been made in this regard by the Government? (30)
6. Discuss the effects of taxation on the production and distribution with special reference to a developing country ? (30)
7. Critically discuss the industrial policy of 1991. (30)