

M.A. DEGREE EXAMINATION, NOVEMBER 2010

Second Semester

Economics

DEVELOPMENT ECONOMICS

(Non-CBCS—2004 onwards)

Time : 3 Hours

Maximum : 60 Marks

Part - A

(10 × 1 = 10)

Answer **all** questions.

Define the following concepts :

1. Economic development.
2. Human poverty.
3. Disguised Unemployment.
4. Technical progress.

5. Human capital.
6. Population.
7. Externalities.
8. Terms of trade.
9. Trade policy.
10. Liberalization.

Part - B

(5 × 4 = 20)

Answer **all** questions.

11. (a) Explain the characteristics of underdeveloped economy.

Or

- (b) Explain the various methods of measuring inequalities.

12. (a) Distinguish between Absolute poverty and Relative poverty.

Or

(b) Explain the role of agriculture in economic development.

13. (a) Explain the Mexde's model of economic growth.

Or

(b) Explain the importance of investment in human capital.

14. (a) Explain the impact of industrialization in economic development.

Or

(b) Explain the need of liberalization in global economy.

15. (a) Explain the concept of sustainable development.

Or

(b) Explain the trade policies of developing countries.

Part - C

(2 × 15 = 30)

Answer **all** questions.

16. (a) Discuss the interdependence of agriculture and industry.

Or

(b) Discuss the role of globalization in economic development.

17. (a) Discuss the significance of trade in economic development.

Or

(b) Discuss the various types of unemployment in developing countries.

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M.A. DEGREE EXAMINATION, NOVEMBER 2010

Second Semester

Economics

MATHEMATICAL ECONOMICS

(Non CBCS—2004 onwards)

Time : 3 Hours

Maximum : 60 Marks

Section - A

(10 × 1 = 10)

Answer **all** the questions.
All questions carry equal marks.

1. What is Mathematical economics ?
2. Give an example for demand function.
3. State the price elasticity of demand.

4. What is production function ?
5. From total cost function, derive all other cost functions.
6. When Average Cost is minimum, what is Marginal Cost ?
7. What is the condition for profit maximization ?
8. Define Monopoly.
9. What do you mean by Linear programming ?
10. What is Open Input-Output Model ?

Section - B

(5 × 4 = 20)

Answer **all** the questions .
All questions carry equal marks.

11. (a) What is the role of Mathematics in Economics ?

(Or)

- (b) Distinguish between Econometrics from Mathematical Economics.

12. (a) Find the elasticity of demand of the function,
 $x = 100 - 5p$ at $p = 10$.

(Or)

- (b) Mention the important results from Slutsky equation.

13. (a) Explain the three features of Cobb-Douglas production function.

(Or)

- (b) Determine the degree of homogeneity of the function $Z = (x^4 + 2x^2y^2 + y) / (x + y)$.

14. (a) If the demand function is $p = 1/3 Q^3 - 3Q^2 + 9Q$, find at what level of output AC be minimum ?

(Or)

- (b) Find the equilibrium price and quantity demand for the following market Models.

$$Q_d = 12 - P \text{ and } Q_s = 8 + 5P$$

15. (a) What are the assumptions of Input-Output analysis ?

(Or)

- (b) Solve the following Linear programming problem by using graphical method.

$$\text{Maximise } f = 2X + 5Y$$

$$\text{subject to } X + 4Y \leq 24$$

$$3X + 4 \leq 21$$

$$X + Y \leq 9 \text{ and } X, Y \geq 0.$$

Section - C $(2 \times 15 = 30)$

Answer **all** questions.
All questions carry equal marks.

16. (a) Discuss the mathematical and non-mathematical approach to economic analysis.

(Or)

- (b) A firm has the following total cost and demand function.

$C = 1/3 Q^3 - 7Q^2 + 111 Q + 50$ and $Q = 100 - p$.
Find profit maximising level of Output ; also find profit at this level of output.

17. (a) Find the maximum and minimum values of the following two functions :

(i) $y = x^3 - 3x + 1$

(ii) $3x^4 - 10x^3 + 6x^2 + 5$

(Or)

(b) Given :

$$A = \begin{pmatrix} 0.1 & 0.3 & 0.1 \\ 0 & 0.2 & 0.2 \\ 0 & 0 & 0.3 \end{pmatrix}$$

and final demands are F1, F2 and F3. Find the output levels consistent with the model. What will be the output levels if F1 = 20, F2 = 0 and F3 = 100 ?

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M.A. DEGREE EXAMINATION, NOVEMBER 2010

Third Semester

Economics

MACRO ECONOMIC THEORY—I

(Non CBCS—2004 onwards)

Time : 3 Hours

Maximum : 60 Marks

Part - A

(10 × 1 = 10)

Answer **all** questions.

Define the following concepts.

1. Monetary Policy.
2. Input and output accounting.
3. Efficiency of capital.
4. Market asset.
5. Multiplier.

6. Permanent income hypotheses.
7. Funds accounting.
8. Accelerator.
9. National income.
10. Trade cycle.

Part - B

(5 × 4 = 20)

Answer **all** questions.

11. (a) Explain the consumption function.

(Or)

- (b) What are the implications of neo-classical approach of macro economics ?

12. (a) How to relate efficacy of Monetary and Fiscal policies ?

(Or)

- (b) Explain the Samuelson theory of trade cycle.

13. (a) What is the policy dilemma with a trade deficit ?

(Or)

- (b) Enumerate the limitations of Mundell-Fleming model.

14. (a) Explain the theory of Employment.

(Or)

(b) Distinguish between Absolute income and Relative income.

15. (a) Briefly explain the Goodwins Model Control of Business cycle.

(Or)

(b) Explain the relationship between Micro foundation and Macro foundation.

Part - C

(2 × 15 = 30)

Answer **all** questions.

16. (a) Discuss the J.M. Keynesian theory of consumption function.

(Or)

- (b) Discuss the neo-classical and Keynesian views on interest.

17. (a) Briefly explain the monetary approach to Balance of payment.

(Or)

- (b) Explain Walrasian general equilibrium model.

M.A. DEGREE EXAMINATION, NOVEMBER 2010

Fourth Semester

Economics

MACRO ECONOMIC THEORY—II

(Non CBCS—2004 onwards)

Time : 3 Hours

Maximum : 60 Marks

Section - A

(10 × 1 = 10)

Answer **all** questions.

Define the following.

1. Multiplier.
2. Fisher's Equation.
3. Inflation.
4. Philips Curve.
5. Fiscal Policy.

6. Money.
7. Speculative Motive.
8. Real Balance Effect.
9. Deficit Budget.
10. Fiscalism.

Section - B

(5 × 4 = 20)

Answer **all** questions.

11. (a) Describe any four credit control methods.

(Or)

- (b) What are the determinants of multiplier ?

12. (a) Write a note on Keynesian Approach to demand for money.

(Or)

(b) Briefly explain the Liquidity preference theory.

13. (a) Distinguish adaptive expectation from rational expectation.

(Or)

(b) Suggest some policies to control inflation.

14. (a) Give an account of Austrian critique of Keynesian economics.

(Or)

(b) Discuss the instruments of monetary policy.

15. (a) What are the mechanics of financing budget?

(Or)

(b) Briefly explain crowding out effect.

Section - C

(2 × 15 = 30)

Answer **all** questions.

16. (a) Examine the 'H' theory of money supply.

(Or)

(b) Elucidate Friedman's restatement of the quantity theory of money.

17. (a) Analyse the natural rate of unemployment with Samuelson and Solow model.

(Or)

(b) State and examine Tobin's modified Philip curve.

M.A. DEGREE EXAMINATION, NOVEMBER 2010

Fourth Semester

Economics

INTERNATIONAL ECONOMICS

(Non-CBCS—2004 onwards)

Time : 3 Hours

Maximum : 60 Marks

Part - A

(10 × 1 = 10)

Answer **all** questions.

Each question carries 1 mark.

1. What is international trade ?
2. Who formulated reciprocal theory of international trade ?
3. Define Gains from trade.
4. What is dumping ?

5. What is the term used to denote excess payments over revenue ?
6. Give the meaning of foreign trade multiplier.
7. Define Paper gold.
8. Mention any one component of international liquidity.
9. State any one type of quota.
10. Define Foreign aid.

Part - B

(5 × 4 = 20)

Answer **all** questions.

Each question carries 4 marks.

11. (a) State the assumptions of Classical theory.

(Or)

(b) Briefly explain Haberler's Opportunity cost theory.

12. (a) How would you measure gains from trade ?

(Or)

(b) What are the evils of dumping ?

13. (a) Point out the features of fixed exchange rate system.

(Or)

(b) Identify the relationship between trade and economic growth.

14. (a) Write a brief note on Euro dollar market.

(Or)

(b) State the purposes of SDRs.

15. (a) Mention any four types of tariffs.

(Or)

(b) What is the need for EEC ?

Part - C (2 × 15 = 30)

Answer any **five** questions.

Each question carries 15 marks.

16. (a) Critically examine the H-O theorem.

(Or)

- (b) What are the causes of disequilibrium in BOP ?
Suggest corrective measures.

17. (a) Describe the functions of IMF.

(Or)

- (b) Write an essay on new International Economic order.

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