

Total No. of Printed Pages : 3

Roll No. ....

1[CCE.M]1

Economics-I

(08)

Time : Three Hours

Maximum Marks : 300

**INSTRUCTIONS**

- (f) Answers must be written in English.
- (ii) The number of marks carried by each question is indicated at the end of the question.
- (iii) The answer to each question or part thereof should begin on a fresh page.
- (iv) Your answers should be precise and coherent.
- (v) The part/parts of the same question must be answered together and should not be interposed between answers to other questions.
- (vi) Candidates should attempt question nos. **1** and **5** which are compulsory and any **three** more out of the remaining questions, selecting at least **one** question from each section.
- (vii) If you encounter any typographical error, please read it as it appears in the text book.
- (viii) Candidates are in their own interest advised to go through the General Instructions on the back side of the title page of the Answer Script for strict adherence.

- (ix) No continuation sheets shall be provided to any candidate under any circumstances.
- (x) Candidates shall put a cross (X) on blank pages of Answer Script.
- (xi) No blank page be left in between answer to various questions.

### SECTION-A

1. Answer any **three** in 200 words :
  - (i) Distinguish between NNP at factor cost and NNP at market prices. 50
  - (ii) What is Price elasticity of demand ? How do we measure it on Linear Demand Curve ?
  - (iii) What are selling costs ? How do they influence equilibrium of a firm under monopolistic competition ?
  - (iv) What is MPC ? How is it related to multiplier ? 25×3=75
2. How does a multi product firm achieve optimum combination of products to maximize its revenue ? 50
3. What is Marginal Efficiency of Capital ? How is it determined ? Briefly describe the factors that cause shifts in MEC. 50
4. Explain Harrod-Domar model of economic growth. In what respects does this model represent a departure from the Keynesian theory of income and employment ? 50

### SECTION-B

5. Answer any **three** in 200 words :
  - (i) Discuss the essentials of sound banking system.
  - (ii) Write a short note on International Bank for Reconstruction and Development.

(iii) Why there has been greater reliance on indirect taxes in Indian tax structure ?

(iv) Briefly describe non monetary measures to solve the problem of disequilibrium in the balance of payments. 25×3=75

6. What are the methods of Selective Credit Control ? How do they operate and with what success ? 50
7. What do you mean by Foreign Exchange Rate ? State its various types. Explain how foreign exchange rate is determined under inconvertible paper currencies. 50
8. What is Fiscal Policy ? Describe the main fiscal instruments which Government uses to achieve economic stability. 50