

5/H-16 (v) (Syllabus-2017)

2019  
( October )

ECONOMICS

( Honours )

( Advance Economic Theory )

Marks : 75

Time : 3 hours

The figures in the margin indicate full marks  
for the questions

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. Show the decomposition of price effect for a fall in the price of good X using Slutsky's approach. 15
2. Critically examine the Revealed Preference Theory. 15

UNIT—II

3. Verify the properties of a linearly homogeneous production function using  $Q = AK^\alpha L^{1-\alpha}$ . 15

4. What is producer's equilibrium? Explain how a producer achieves equilibrium through least cost combination method. 3+12

ECONOMICS  
UNIT—III  
(Honours)

5. When is price discrimination possible? Explain the condition(s) under which price discrimination is profitable. 5+10

6. Assuming a Pareto-efficient situation, discuss the following : 5+5+5

- (a) Efficiency in exchange  
(b) Efficiency of production  
(c) Efficiency in the product-mix

UNIT—IV

7. Discuss the Cambridge equations. Why is it considered superior to the Cash Transaction approach? 10+5

8. Explain the various causes of inflation. What fiscal measures can be undertaken to control inflation? 8+7

UNIT—V

9. Critically discuss Keynes's view on trade cycle. 15
10. Differentiate between balance of trade and balance of payments. What methods are employed to correct disequilibrium in the balance of payments? 5+10

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