

2021

## ECONOMICS (Honours)

Paper Code : VI - A & B

[New Syllabus]

### Important Instructions for Multiple Choice Question (MCQ)

- Write Subject Name and Code, Registration number, Session and Roll number in the space provided on the Answer Script.

**Example** : Such as for Paper III-A (MCQ) and III-B (Descriptive).

Subject Code : 

III	A	&	B
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Subject Name :

- Candidates are required to attempt all questions (MCQ). Below each question, four alternatives are given [i.e. (A), (B), (C), (D)]. Only one of these alternatives is 'CORRECT' answer. The candidate has to write the Correct Alternative [i.e. (A)/(B)/(C)/(D)] against each Question No. in the Answer Script.

**Example** — If alternative A of 1 is correct, then write :

1. — A

- There is no negative marking for wrong answer.

### মাল্টিপল চয়েস প্রশ্নের (MCQ) জন্য জরুরী নির্দেশাবলী

- উত্তরপত্রে নির্দেশিত স্থানে বিষয়ের (Subject) নাম এবং কোড, রেজিস্ট্রেশন নম্বর, সেশন এবং রোল নম্বর লিখতে হবে।

উদাহরণ — যেমন Paper III-A (MCQ) এবং III-B (Descriptive)।

Subject Code : 

III	A	&	B
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Subject Name :

- পরীক্ষার্থীদের সবগুলি প্রশ্নের (MCQ) উত্তর দিতে হবে। প্রতিটি প্রশ্নে চারটি করে সম্ভাব্য উত্তর, যথাক্রমে (A), (B), (C) এবং (D) করে দেওয়া আছে। পরীক্ষার্থীকে তার উত্তরের স্বপক্ষে (A)/(B)/(C)/(D) সঠিক বিকল্পটিকে প্রশ্ন নম্বর উল্লেখসহ উত্তরপত্রে লিখতে হবে।

উদাহরণ — যদি 1 নম্বর প্রশ্নের সঠিক উত্তর A হয় তবে লিখতে হবে :

1. – A

- ভুল উত্তরের জন্য কোন নেগেটিভ মার্কিং নেই।

## Paper Code : VI - A

Full Marks : 20

Time : Thirty Minutes

Choose the correct answer.

Each question carries 2 marks.

1. According to David Ricardo trade takes place between two countries if one of them has —
  - (A) Absolute Advantage
  - (B) Equal Advantage
  - (C) Comparative Advantage
  - (D) Comparative Disadvantage
  
2. Offer Curve is also known as —
  - (A) Terms of Trade
  - (B) Reciprocal Demand Curve
  - (C) Production Possibility Curve
  - (D) Trade Indifference Curve
  
3. While explaining Heckscher-Ohlin theory of trade in terms of physical definition of factor abundance, the assumption of similarity of tastes between countries is —
  - (A) Necessary
  - (B) Sufficient
  - (C) Neither (A) nor (B)
  - (D) Both (A) and (B)

4. GATT was set up to promote —
- (A) Multilateral Trade
  - (B) Bilateral Trade
  - (C) Mutual Trade
  - (D) Regional Trade
5. For a large country Tariff —
- (A) Improves ToT and reduces volume of trade
  - (B) Deteriorates ToT and reduces volume of trade
  - (C) Deteriorates ToT and increases volume of trade
  - (D) Improves ToT and increases volume of Trade
6. Which of the following is a public good —
- (A) Book
  - (B) Car
  - (C) Defence
  - (D) House
7. Marginal cost of increasing consumption of social goods is equal to —
- (A) Average Cost
  - (B) Infinity
  - (C) Average Revenue
  - (D) Zero
8. Pattern of public expenditure is governed by —
- (A) Customs and habits of people
  - (B) Deliberate Economic Policy of Govt
  - (C) Desire of the dominant social group
  - (D) The state of private business activities

9. Lump sum Tax is like —
- (A) Variable Cost
  - (B) Fixed Cost
  - (C) Quasi Fixed Cost
  - (D) Cess
10. In case of public goods, if amount is increased, the Average Cost tends to —
- (A) decrease
  - (B) increase
  - (C) indeterminate
  - (D) remain constant
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2021

## ECONOMICS (Honours)

Paper Code : VI - B

[New Syllabus]

Full Marks : 80

Time : Three Hours Thirty Minutes

*The figures in the margin indicate full marks.*

### Group - A

#### (International Trade)

#### Section - I

#### (Short Eassy Type Questions)

Answer any *two* questions : 10×2=20

1. Explain the Ricardian theory of comparative advantage of International Trade.
2. State and explain Rybczynski's theorem.
3. Distinguish between Balance of trade and Balance of payment. Show that balance of payment is always balanced.
4. Write a note on World Trade Organization.

#### Section - II

#### (Eassy Type Questions)

Answer any *one* question : 20×1=20

5. State and prove Factor Price Equalization theorem. Will the factor intensity reversal invalidate the theorem? 10+10
6. (a) Explain the concept of Optimum tariff. 6  
(b) How would you measure the Optimum tariff? 7  
(c) Prove the superiority of Optimum tariff over Free trade. 7

**Group - B**

**(Public Finance)**

**Section - I**

**(Short Essay Type Questions)**

Answer any *two* questions :

10×2=20

7. What are the characteristics of a public good? Distinguish between pure public good and pure private good.
8. Explain the Equal Sacrifice Principle of Taxation.
9. Discuss the concept of excess burden of indirect taxes.
10. What is fiscal policy? Explain the important objectives of fiscal policy in a developing countries.

**Section - II**

**(Essay Type Questions)**

Answer any *one* question :

20×1=20

11. Explain in what situation you would recommend deficit spending rather than taxation as an appropriate method of financing economic development. 20
  12. Discuss the Benefit Approach towards the determination of the tax share of the individual. Do you think it is always regressive in nature? 10+10
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