GENERAL ECONOMICS
Paper – III

Time Allowed : Three Hours

Maximum Marks : 200

Question Paper Specific Instructions

Please read each of the following instructions carefully before attempting questions :

There are **SIXTEEN** questions divided under **THREE** sections.

The ONLY question in Section A is **compulsory**.

In Section B, **SIX** out of **NINE** questions are to be attempted.

In Section C, **FOUR** out of **SIX** questions are to be attempted.

Candidates should attempt questions / parts as per the instructions given in the sections.

The number of marks carried by a question / part is indicated against it.

Wherever any assumptions are made for answering a question, they must be clearly indicated.

Diagrams / Figures, wherever required, shall be drawn in the space provided for answering the question itself.

Unless otherwise mentioned, symbols and notations have their usual standard meanings.

Attempts of questions shall be counted in sequential order. Unless struck off, attempt of a question shall be counted even if attempted partly.

Any page or portion of the page left blank in the Question-cum-Answer Booklet must be clearly struck off.

Candidates are required to write clear, legible and concise answers and to adhere to word limits, wherever indicated. Failure to adhere to word limits may be penalized.

Answers must be written in **ENGLISH** only.

SECTION A

Q1. Answer all the following parts in about 100 words each :   *5×6=30*

   (a)   Explain the relevance of user cost in case of pricing of non-renewable resources.   *5*

   (b)   What is the basic difference between indicative planning and imperative planning ?   *5*

   (c)   Define the concept of market concentration and give its two important measures.   *5*

   (d)   What are the components of revenue receipts of the Union Budget ?   *5*

   (e)   What are the basic distinguishing features of public goods and private goods ?   *5*

   (f)   Explain the concept of green accounting.   *5*

SECTION B

Answer any *six* questions out of the following nine questions in about 200 words each :   *15×6=90*

Q2. "When crowding out effect is very high, fiscal policy may not be effective in increasing the income, output and employment." Comment.   *15*

Q3. Bring out the relationship among the market structure, conduct and performance of firms.   *15*

Q4. Explain the causes and desirability of fast growth of public expenditure in developing economies like India.   *15*

Q5. Discuss the role of innovation as a path to competition and economic growth. How far can Atal Innovation Scheme serve this purpose in India ?   *15*

Q6. Critically examine the use of shadow prices in planning as enunciated by Prof. H.B. Chenery.   *15*

Q7. State the different types of fishery growth functions. How do you derive sustainable yield function and measure maximum sustainable yield by using Schaefer model ?   *15*

Q8. Explain the superiority of managed common property resources to open access resources.   *15*

Q9. What is meant by stakeholder approach to participatory development planning in rural areas ? Explain the relevance of this sort of planning in Indian context.   *15*

Q10. What are the causes of market failure ? Explain the relevance of Pigouvian tax in correcting the externalities in a market.   *15*

SECTION C

Answer any *four* questions out of the following six questions in about 300 words each :   20×4=80

Q11. Examine the outcome of the 21st Conference of Parties (COP 21) of UN Framework Convention on Climate Change held at Paris during November-December, 2015. Do you feel that the climate crisis is deepening after the Paris agreement ? Give reasons.   20

Q12. A monopolistic manufacturer produces two different brands of a product whose demand functions are

$$P_1 = 56 - 4Q_1$$
$$P_2 = 48 - 2Q_2$$

and the joint cost function is

$$TC = Q_1^2 + 5Q_1Q_2 + Q_2^2.$$

Find the profit maximising level of output and the price that would be charged for each brand. Also find the maximum profit.   20

Q13. Discuss the concepts of direct and indirect money burden and direct and indirect real burden of a tax. How is the tax shared between the producer and the consumer in case of usual shaped demand and supply curves ?   20

Q14. Discuss the context and method of application of contingent valuation technique in case of environmental valuation. Bring out its importance.   20

Q15. What are the distinguishing features of an oligopoly market ? Discuss the Stackelberg model and compare it to that of Cournot.   20

Q16. Examine the basic differences between the erstwhile Planning Commission and NITI Aayog. How far can the deficiency of the Planning Commission be corrected by NITI Aayog ?   20