2017

M.A. / M.Sc.

4th Semester Examination

ECONOMICS

PAPER—ECO-402

Full Marks : 40

Time : 2 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

Group—A

1. Answer any *two* questions of the following :   2×2

    (a) State the Stolper-Samuelson theorem.

    (b) What is meant by optimal tariff?

    (c) State the Infant Industry Argument for Protection.

(d) Differentiate between common market and custom union.

2. Answer any *one* of following questions : 1×6

   (a) Explain how economics of scale can act basis of trade between countries under imperfect competition.

   (b) Show, graphically, that tariff in a record best policy in comparison to a production subsidy.

3. Answer any *one* the following questions : 1×10

   (a) Derive the Rybczynski Theorem form the simple general equilibrium model of Ronald Jones.

   (b) (i) Explain the structure and function of WTO.

   (ii) State the major demands that India has placed in different round of WTO negotiation relating to agriculture, non-agriculture and services trade.

Group—B

4. Answer any *two* question from the following : 2×2

   (a) What is meant by market efficiency ?

   (b) What is meant by 'leverage ratio' of a company ?

   (c) Distinguish share and debenture.

   (d) What do you mean by bearish trend ?

5. Answer any *one* question from the following :   1×6

  (a) What are different components of balance sheet of a company with suitable example.

  (b) What do you mean by systematic and unsystematic risk ? With the help of a suitable diagram, show that a fairly large port-folio has only systematic risk and little or no unsystematic risk.   3+3

6. Answer any *one* question from the following :   1×10

  (a) Distinguish between capital market line and security market line in CAPM. In this context, state what you mean by market portfolio. How do you judge whether a security is over-priced or under-priced.   4+3+3

  (b) Explain liquidity ratios asset management ratios and profitability ratios.

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