2008

M.A./M.Sc.

2nd Semester Examination

ECONOMICS

PAPER—V (EC-1201)

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.

Answer *all* questions.

1. Answer any *five* questions :   5×2

   (a) Define micro foundation of macroeconomics.

   (b) Name two important New Classical Models.

   (c) Why was the menu cost model developed ?

   (d) What was the main purpose of introducing the concept of 'Reciprocity' and 'Retaliation' by the behavioural macro-economists like Fehr and Falk ?

   (e) What is 'Reductionism—Holism' debate in macroeconomics ?

   (f) What according to Clower, is the Keynes-classic dilemma ?

   (g) Mention two different categories of General Equilibrium models.

   (h) What is learning in macro-economies ?

(i) How does the 'Imperfect Information Model' introduce imperfect information in macroeconomics ?

(j) What is group selection in evolutionary macro-economics ?

2. Answer any *two* questions :   2×5

   (a) Discuss briefly the similarities between macro-micro debate in biology and economics.   5

   (b) Discuss briefly how New Keynesian micro-foundation-based macroeconomic models established Keynesian perspective of involuntary unemployment.   5

   (c) Examine the relationship between 'free-riding' and 'group-selection'.

   (d) What are 'adaptation' and 'exaptation'? Give an example of institution as an exaptation.   3+2

3. Answer any *two* questions :   10×2

   (a) Why should we consider macroevolution as a hierarchical process ? Explain after Gould-Vrba's proposition and Gowdy-Vanden Bergh.   10

   (b) "In short, Keynes had the dual decision hypothesis at the back of his mind, or his General theory is a theoretical non-sense".—Prove this statement following Clower's dual decision theory.   10

   (c) Briefly point out the criteria categorically on the basis of which general equilibrium models can be included in a particular family. Distinguish between computable general equilibrium models and Overlapping Generation models with respect to their origin, objective and area of application.   4+6

   (d) Describe how the Imperfect information model shows that short run aggregate supply curve is positively sloped, while long run supply curve is vertical.   10