

**2016**

**M.Phil.**

**1st Semester Examination**

**ECONOMICS**

**PAPER—ECO-113**

*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 from the following : 2×5

- (a) Distinguish between absolute risk aversion and relative risk aversion. How is the rate of adoption of a new technology in agriculture determined under production uncertainty? 5

*(Turn Over)*

(b) Explain total factor productivity growth with the help of a diagram. 5

(c) How would you estimate the cost-function from the production function ?

(d) Explaining the problems faced in the estimation of employment function, bring out the impact of labour union on real wages. 5

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

(a) (i) Write the following production functions and find their marginal productivities : CES, Spillaman, Translog.

(ii) Distinguish between risk and uncertainty.

5+5

(b) How would you measure the relevant economic variables in the estimate of capacity output ? Make a presentation of the econometric specification of capacity utilisation. 10

**Group—B**

3. Answer *any two* questions from the following : 2×5
- (a) Give a brief account of available inflation determination models with their own rationale for countries like India. 5
  - (b) Explain briefly the New Keynesian Model of monetary policy analysis. 5
  - (c) Analyse the trends in macro-econometric model construction in terms of marginal benefit and cost. 5
  - (d) Write a short note on the RBI - MSE macro model for the Indian Economy. 5
4. Answer *any one* question from the following : 1×10
- (a) State and interpret the simultaneous equation models of money demand and money supply. 10
  - (b) What is term structure of interest rate? How does the change in interest rates of overnight loans affect interest rates of loans of different maturities? 3+7

