

2020

## ECONOMICS (Honours)

Paper Code : VI - A & B

[New Syllabus]

Full Marks : 100

Time : Four Hours

### 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
-----	---	---	---

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
-----	---	---	---

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।

Turn Over

## Paper Code : VI-A

Full Marks : 20

Time : Thirty Minutes

Choose the correct answer.

Each question carries 2 marks.

1. According to Adam Smith trade takes place between two countries if one of them has
  - (a) Absolute Advantage;
  - (b) Equal Advantage;
  - (c) Comparative Advantage;
  - (d) Comparative Disadvantage;
  
2. The opportunity cost theory assumes
  - (a) Labour is the only factor of production;
  - (b) Labour is homogeneous;
  - (c) Neither (a) nor (b);
  - (d) Both (a) and (b);
  
3. While explaining Heckscher-Ohlin theory of trade, 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, an imposition of Tariff
  - (a) Improves terms of trade and reduces volume of trade;
  - (b) Deteriorates terms of trade and reduces volume of trade;
  - (c) Deteriorates terms of trade and increases volume of trade;
  - (d) Improves terms of trade and increases volume of Trade;

*Turn Over*

6. Which of the following is a public good
- (a) Book;
  - (b) Car;
  - (c) Defence;
  - (d) House;
7. In the case of progressive taxation
- (a) Tax rate increases with an increase in income,
  - (b) Tax rate increases but the amount of tax remains the same for any level of income,
  - (c) Tax rate remains the same but amount of tax increases with an increase in income
  - (d) Both the tax rate and the amount of tax increases with an increase in income
8. In the calculation of 'Tax base'
- (a) Only the level of income is needed
  - (b) A total amount of assets is needed
  - (c) Expenditure of people is needed
  - (d) Total amount of assets and income are needed
9. Lump sum Tax is like
- (a) Variable Cost;
  - (b) Fixed Cost;
  - (c) Quasi Fixed Cost;
  - (d) Cess;
10. Budgetary deficit does not take into account
- (a) Revenue deficit;
  - (b) Capital budget deficit;
  - (c) Balance of Payments deficit;
  - (d) Interest payment on public debt;
- 

*Turn Over*

2020

## 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 answer type Questions)

Answer any *two* questions (answer within 500 words) : 10×2=20

1. How would you show gains from trade in Ricardian framework if the production possibility curve is concave to the origin? (10)
  
2. (a) What are the assumptions necessary to prove the validity of Heckscher Ohlin Theory of comparative advantage? (5)  
(b) In what sense Heckscher Ohlin theory is better than Ricardian Theory? (5)
  
3. (a) Explain why “balance of payments always balances” . (6)  
(b) How do we talk balance of payment disequilibrium? (4)
  
4. Critically examine Infant Industry Arguments for protection. (10)

#### Section - II (Essay type Questions)

Answer *one* question (answer within 1000 words) : 20×1=20

5. (a) State and prove Factor Price Equalization theorem. (10)  
(b) Will the factor intensity reversal invalidate the theorem? (10)

*Turn Over*

6. (a) Distinguish between Specific Tariff and Ad-valorem Tariff. (8)
- (b) Discuss the effects of tariff on:
- (i) Government Revenue; (4)
  - (ii) Protection of domestic production; (4)
  - (iii) Terms of Trade; (4)

**Group-B**  
**(Public Finance)**

**Section - I**  
**(Short answer type Questions)**

Answer any *two* questions (Answer within 500 words) : 10×2=20

7. Explain briefly different canons of taxation? (10)
8. What is meant by impact, incidence and shifting of taxation? Do you think that the burden of direct tax can be shifted? Why. (6+4)
9. Write a note on excess burden of indirect taxes. (10)
10. Discuss the effects of public debt on Economic growth. (10)

**Section - II**  
**(Essay Type Questions)**

Answer *one* question (Answer within 1000 words) : 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. What are the different interpretations of Ability to Pay principles of taxation? How it is different from Benefit Approach of taxation? (10+10)