

Total number of printed pages—2

CMT/IX-IX-A.11

ECONOMICS

1999

First Paper

Full Marks—200

Time : Three hours

The figures in the margin indicate full marks for the questions.

Answer any five questions.

1. Explain the importance of "Utility" concept in the study of economics. Show with the help of a suitable diagram how equi-marginal utility is derived? 15+25
2. Distinguish between income consumption curve and price consumption curve. Explain in this connection how price effect is the summation of income effect and substitution effect? 10+30
3. Explain the law of variable proportions with the help of a suitable diagram. Clearly explain the relationship between total product, average product and marginal product. 20+20

Cont.

4. Distinguish between Average cost and Marginal cost of a firm. Also explain and illustrate the cost curves of a firm in both short run and long run. 10+30

5. Explain the concept of Quasi-rent with suitable examples. Critically discuss the Ricardian theory of rent. 15+25

6. What do you understand by Weighted Index Number? Explain fully with illustrations how these index numbers are constructed. 10+30

7. What are the causes of inflation? What measures are generally taken to control inflation in a growing economy? 20+20

8. Write explanatory notes on *any two* of the following: 20+20

(a) Foreign exchange determination

(b) Phase of trade cycle

(c) Functions of central bank

(d) Fisher's quantity theory of money.