TDC (CBCS) Even Semester Exam., 2023

ECONOMICS

(6th Semester)

Course No. : ECODSE–601T

Full Marks : 70

Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

Candidates have to answer questions *either* from Option—A *or* Option—B *or* Option—C *or* Option—D *or* Option—E *or* Option—F

OPTION—A

Course No. : ECODSE–601T (A)

(Applied Econometrics)

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. Define a linear model.

2. What is an estimator?

3. What is random disturbance in econometric models?

4. What is a sample regression function?

5. What do you mean by ordinary least squares regression?

6. What are regression coefficients?

7. What is a scatter diagram?

8. What do you mean by 'explanatory variable'?

9. What do you mean by an unbiased estimator?

10. What is meant by standard error of regression?

11. What do you mean by 'goodness of fit'?

12. Define the term 'homoscedasticity'.

13. What is serial correlation?

14. What do you mean by misspecification bias?

15. Define panel data.

16. What do you mean by simultaneous equation model?

17. What is 'fixed effects' in panel data analysis?

18. How do you test for overall significance of a regression model?

19. How do you test for presence of fixed effects in panel data?

20. How can you test for autocorrelation in errors?

21. Under which situation is time series data required?

22. Why do we use t-test in OLS estimation?

23. Name an open source econometric software package.

24. Point out an advantage of EVIEWS package.

25. Define multicollinearity.

(**4**)

Answer any *five* of the following questions :   2×5=10

26. Distinguish between estimator and parameter.

27. Distinguish between exact and near-exact multicollinearity.

28. Distinguish between linearity in parameters vs. linearity in variables.

29. Why is F-test used in OLS regression?

30. Point out the features of an ideal linear econometric model.

31. What is the advantage of lagged dependent variable models?

32. What do you mean by structural and reduced form equations in simultaneous equation models?

33. What is a random effect model in panel data?

34. Why do we observe heteroscedasticity in cross-section data?

35. Point out the advantages of STATA package.

(*Continued*)

SECTION—C

Answer any *five* of the following questions : 8×5=40

36. Explain how we test for significance of coefficients from OLS regression. Also outline the test for overall significance of a regression.

37. What are the sources of error in a linear model? Hence explain the possible causes behind biased and inconsistent estimators in OLS regression.

38. What is autocorrelation? How do we remove it? Explain on the basis of standard tests (any one).

39. How do we detect multicollinearity? Point out methods to tackle multicollinearity.

40. Why is OLS an inefficient technique of estimation in case of simultaneous equation model? Hence explain simultaneous equation bias.

41. Why is 2-stage least squares (2SLS) used? Are instrumental variables needed in 2SLS? Explain in brief.

(Turn Over)

42. Explain the identification problem in simultaneous equation models. What methods do you suggest for estimation of an exactly identified system?

43. Point out the advantages of panel data. How do you test for the presence of fixed vis-à-vis random effects? Explain.

44. What is a pooled estimator? How can you test for the presence of cross-section specific fixed effects? Hence how would you choose between pooled estimator and fixed effects estimator?

45. What is the structure of a standard STATA window? In which partition do you view variables and data? In the command window, what command would you insert when you regress Y on X_1, X_2 and X_3?

(7)

OPTION—B

Course No. : ECODSE–601T (B)

(**Financial Economics**)

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. What is a bond?

2. What is internal rate of return?

3. What is spot rate?

4. Define discounting rate of interest.

5. What is present value of an asset?

6. What is portfolio of assets?

7. Give two examples of risk-free asset.

8. Define feasible combinations of assets.

9. What is meant by portfolio mean of an asset?

10. Define short selling.

11. Define capital market.

12. What is capital market line?

13. What is security market line?

14. What is meant by systematic risk?

15. What is meant by beta of an asset?

16. What is option?

17. Define hedging.

18. What is arbitrage?

19. Define future contract.

20. What is the main difference between call and put options?

21. What is dividend?

22. What is meant by corporate financing?

23. What is a convertible debenture?

24. Which organisation controls capital issues in India?

25. What is equity?

SECTION—B

Answer any *five* of the following questions : 2×5=10

26. Throw light on the term 'structure of interest rate'.

27. Discuss the concept of yield curve.

28. State one-fund theorem in the context of single-period random cash flows.

29. What sort of information does variance of portfolio of assets provide?

30. What does beta of a portfolio signify?

31. What is secondary security market?

32. What are the factors affecting option prices?

33. Discuss about straddle as an option trading strategy.

34. Add a note on the structure of corporate debt.

35. What is cost of capital?

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$

36. What is forward rate of an asset? How is it determined? Discuss.

37. Distinguish between bond price and bond yield. How is bond yield calculated?

38. How is returns on assets different from asset prices? Discuss. Explain single-period simple return of an asset with the help of a suitable example.

39. Discuss the usefulness of mean variance portfolio analysis of financial assets.

40. Explain capital asset pricing model.

41. Explain the usefulness of capital asset pricing model in investment analysis.

42. Add a note on the use of futures for hedging.

(Continued)

43. Discuss strips and straps as option trading strategies with their relative merits and demerits.

44. Discuss the patterns of corporate financing in India in recent times.

45. "Capital structure does not influence market value of a firm." Discuss the significance of this statement in the light of Modigliani-Miller theorem.

OPTION—C

Course No. : ECODSE–601T (C)

(International Economics)

SECTION—A

Answer any *twenty* of the following questions :

1×20

1. What is absolute cost advantage?

2. How would you define a labour abundant nation?

3. State the meaning of terms of trade.

4. What is meant by gains from specialisation?

5. What is meant by complete specialisation?

6. Name the economist whose name is associated with factor price equalisation theorem.

7. What is meant by trade triangle?

8. What is the basis of trade according to Heckscher-Ohlin?

9. What do you mean by factor intensity reversal?

　(*Continued*)

10. Write the meaning of reciprocal demand.

11. What is meant by imitation lag?

12. What is meant by intra-industry trade?

13. Mention one side effect of dumping.

14. Whose name is associated with product cycle hypothesis?

15. What do you mean by localisation of production?

16. State one benefit of outsourcing.

17. Give an example of a quota where foreigners hold quota licenses.

18. What is foreign exchange risk?

19. Define the term 'ad valorem tariff'.

20. What is meant by export subsidies?

21. What do you mean by custom union?

22. Define the term 'exchange rate'.

23. State one problem with import subsidy.

24. When was IMF established?

25. State one benefit of financial globalisation.

SECTION—B

Answer any *five* of the following questions : 2×5=10

26. In what ways Ricardian theory is an improvement over Smith's theory?

27. Mention the limitation of physical criterion of factor abundance.

28. What is meant by favourable trade balance?

29. How can opening a nation to trade influence income distribution?

30. Distinguish between nominal and effective tariff rates.

31. Distinguish between import quota and import tariff.

32. How does an export tax differ from an export subsidy?

33. State two limitations of fixed exchange rate.

34. Mention two functions of IMF.

35. Mention two characteristics of multinational enterprises.

SECTION—C

Answer any *five* of the following questions : 8×5=40

36. How can we justify international economics as a special branch of economics?

37. When a country has a corporative advantage in a good, must it also have an absolute advantage in that good. Why or why not?

38. Write a note on decomposition of gains from trade.

39. Can factor intensity reversal occur if the two industry isoquants do not cross each other but are tangent to one another? Explain.

40. Give a brief outline of new trade theory as developed by Paul Krugman.

41. Write a note on trade diverting custom union.

42. Summarise the different non-tariff policies to restrict trade.

　　　　　　　　　　　　(Turn Over)

43. Discuss the strength and weaknesses of flexible exchange rate system.

44. What are the principal costs and benefits of foreign direct investment to the host nation?

45. Write a note on financial globalisation.

OPTION—D

Course No. : ECODSE–601T (D)

[Economic History of India (1857–1947)]

SECTION—A

Answer any *twenty* of the following questions :

$1 \times 20 = 20$

1. Define the meaning of colonial exploitation.

2. What is colonial economy?

3. Why is 1857 popular in economic history?

4. In which city British East India Company set up its first factory?

5. Write one crucial feature of India during British rule.

6. What is national income?

7. Point out a cause of adverse position of Indian economy during British rule.

8. What is agricultural market?

9. Define famine.

(Turn Over)

10. Mention one economist's name related with computation of national income under the British rule.

11. Define the meaning of life expectancy.

12. Which year railway line started in India?

13. Mention one informal credit source in agriculture.

14. Write one commercial crops name during British rule.

15. What is international trade?

16. Who developed the drain theory?

17. What is infrastructure?

18. Write any one method of accounting national income.

19. What is entrepreneur?

20. Define agrarian structure.

21. What is capital flow?

22. What is foreign trade?

(Continued)

23. Define credit in agriculture.

24. Write any one name of taxes imposed by Britishers on Indian people.

25. Define the meaning of British imperialism.

SECTION—B

Answer any *five* of the following questions :   2×5=10

26. Write any two negative effects of British rule.

27. Write any two objectives for the development of railway by British people.

28. Define birth rate and death rate of India under British rule.

29. Write any two impacts of famine occurred during British period.

30. Define the meaning of commercialisation of agriculture.

31. Write any two difficulties faced to develop industries during British period.

32. Mention any two formal sources of credit in agriculture.

(*Turn Over*)

33. Write any two impacts of drain during British rule.

34. Define life expectancy rate.

35. Write two main features of India's international trade.

SECTION—C

Answer any *five* of the following questions : 8×5=40

36. Explain the major impact of Indian economy during British rule.

37. What are the economic features during the period of British?

38. Discuss the demographic feature of Indian economy under the British period.

39. What are the factors responsible for backward marketing system in Indian products during British rule?

40. Explain the production and productivity trends of agriculture during British period.

41. Explain the occupational structure during British period.

(*Continued*)

42. Explain the various positive effects of British rule.

43. Explain the various causes for the decay of Indian handicrafts during British rule.

44. Explain the various importance and positive effects of railways developed by British people.

45. Examine the condition of foreign trade and capital flows in India under the British rule.

OPTION—E

Course No. : ECODSE–601T (E)

(**Economic Development and Policy in India—II**

SECTION—A

Answer any *twenty* of the following questions :

$1 \times 20 = 2($

1. Point out two measures to increase agricultural productivity.

2. Mention two characteristics of agricultural labour.

3. In which year Minimum Wages Act was passed in India?

4. What do you mean by co-operative marketing?

5. Write the full form of NABARD.

6. What do you mean by land reforms?

7. Write two causes of sub-division and fragmentation of holdings.

8. What is called consolidation of holdings?

(*Continued*)

9. What is the need for agricultural price policy in India?

10. In which year Agricultural Prices Commission was set up in India?

11. Point out one difference between large- and small-scale industries.

12. What do you mean by public sector undertakings?

13. Mention one advantage of foreign direct investment.

14. Define basic and capital goods industries.

15. What do you mean by industrial sickness?

16. In how many categories industries were classified in the Industrial Policy of 1956?

17. What is Industrial Licensing Policy?

18. Write the basic idea behind MRTP Act, 1969.

19. In which year first Industrial Policy was introduced in India?

20. What is Competition Act, 2002?

21. Mention two types of disequilibrium in balance of payments.

22. Name two invisible trade items.

23. Give two examples of unilateral receipts.

24. In which year WTO Agreement came into force?

25. Write the full form of GATT.

SECTION—B

Answer any *five* of the following questions : 2×5=10

26. Mention two important features of Indian agricultural sector.

27. What are the institutional sources of agricultural credit?

28. Define co-operative farming.

29. What is minimum support price?

30. What is MSMED Act, 2006?

31. Write two objectives of setting up of SIDBI.

(*Continued*)

32. Why was private sector regulated under IPR, 1956?

33. What is Import Substitution Policy?

34. Distinguish between balance of payments and balance of trade.

35. Mention two commitments of India to WTO.

SECTION—C

Answer any *five* of the following questions :   8×5=40

36. Make an assessment of the trends in agricultural production and productivity in India.

37. Define agricultural marketing. Discuss government measures to improve the system of agricultural marketing in India.

38. Discuss the important objectives of land reform policy. Analyse the progress of land reform policy in India.

39. What is National Agricultural Policy? Discuss the main features of National Agricultural Policy in India.

40. Analyse the trends in industrial production in India since independence.

41. Discuss the rationale of public sector in India. Critically evaluate their performance in recent years.

42. Discuss briefly the important aspects of liberalisation trends adopted in the New Industrial Policy, 1991.

43. Make a critical appraisal of the New Industrial Policy, 1991.

44. Analyse India's balance of payments position in post-reform period. Point out two measures undertaken by the Government of India to solve the balance of payments deficit.

45. Discuss the positive and negative impacts of WTO on Indian economy.

OPTION—F

Course No. : ECODSE–601T (F)

(**Public Finance**)

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. Define public finance.

2. Mention one objective of public finance.

3. Who is called the father of public finance?

4. Who introduced the term 'functional finance'?

5. Mention one non-tax revenue.

6. What is incidence of taxation?

7. Mention one canon of public expenditure.

8. What is direct tax?

9. What is benefit principle of taxation?

10. Define ability-to-pay principle of taxation.

11. Who developed the benefit principle of taxation?

12. Give one example of regressive tax system.

13. Write one merit of proportional tax system.

14. Define tax.

15. What is stabilisation function of public finance?

16. Define public debt.

17. Mention one source of internal public debt.

18. Mention one direct money burden of public debt.

19. Write one source of external public debt.

20. Write one difference between internal public debt and external public debt.

21. Who is the chairman of 15th Finance Commission?

22. What is deficit budget?

23. Mention one component of revenue expenditure.

24. Write one feature of last Union Budget of India.

25. Mention one function of Finance Commission of India.

SECTION—B

Answer any *five* of the following questions : 2×5=10

26. Write two differences between public finance and private finance.

27. Mention any two scopes of public finance.

28. Write two merits of indirect tax.

29. Mention two sources of public revenue.

30. Mention two indicators of ability-to-pay principle in objective approach.

31. What is proportional tax system?

32. Mention two causes of public debt.

33. Write two significance of public debt.

34. Outline any two roles of Finance Commission of India.

35. Write two differences between revenue account and capital account of Union Budget.

SECTION—C

Answer any *five* of the following questions :   8×5=40

36. Discuss the role of public finance in developing economy.

37. Write a note on stabilisation and distribution functions of public finance.

38. (a) Distinguish between direct tax and indirect tax.   4

    (b) Mention the merits of direct tax.   4

39. Discuss the significance of public finance in modern State.

40. What is progressive tax system? Discuss the merits and demerits of progressive tax system.   2+3+3=8

(Continued)

41. *(a)* Distinguish between progressive and regressive tax systems. 4

(b) Describe the role of public debt in developing countries. 4

42. Discuss different sources of public debt. What is burden of public debt? 6+2=8

43. What is debt trap? Discuss different methods of redemption of public debt. 2+6=8

44. What is budget? Discuss different components of government budget. 2+6=8

45. Discuss the recommendations of Fifteenth Finance Commission.