

# GENERAL ECONOMICS-III

## 2016

Time Allowed : Three Hours

Maximum Marks: 200

### INSTRUCTIONS

Please read each of the following instructions carefully before attempting questions :

There are FOURTEEN questions divided under THREE Section.

The ONLY question in Section A is compulsory.

In Section B, SIX out of SEVEN questions are to be attempted.

In Section C, FOUR out of SIX questions are to be attempted.

Candidates should attempt questions/parts as per the instructions given in the Section.

The number of marks carried by a question/part is indicated against it.

All parts and sub-parts of a question are to be attempted together in the answer book.

Attempts of question shall be counted in sequential order. Unless struck off, attempt of a question shall be counted even if attempted partly.

Any page or portion of the page left blank in the answer book must be clearly struck off.

Candidates are required to write clear, legible and concise answers and to adhere to word limits wherever indicated. Failure to adhere to word limits may be penalized.

Answers must be written in ENGLISH only.

### Section - A

Answer all of the following parts in about '00 words

5x6=30

1. (a) What is public investment? What are the criteria for making decisions regarding public investment?
- (b) Describe the main features of "Goods and Services Tax"
- (c) Distinguish between 'planning from above' and 'planning from below'.
- (d) Is Indian planning employment oriented? Explain.
- (e) Distinguish between private and social discount rates, highlighting the relevance of the latter in environmental economics.
- (f) What are option value and bequest value in environmental valuation?

### Section - B

Answer any six out of the following seven questions in about 200 words each :  $15 \times 6 = 90$

2. Explain the importance of Public Debt in the process of economic growth. What are the issues in the debt management in India?
3. Assess the relative importance of indirect tax to direct tax. What are the implications of indirect taxes for income inequalities in India ??
4. What is 'uncertainty, reversibility and uniqueness' in the context of environmental economics and how do they influence environmental policies of the governments?
5. What is Environmental Kuznets Curve ? Discuss its relevance for India's environment.
6. What is Kinky Demand Curve oligopoly ? How will you relate this with the phenomena of price rigidity and inflation ?
7. What is Economic Planning ? Distinguish between 'indicative planning' and 'planning by direction'. Which of these two is followed in India and why ?
8. Define the concept of price discrimination under monopoly and discuss the price determination of a discriminating monopolist.

### Section - C

Answer any four out of the following six in about 300 words each :  $20 \times 4 = 80$

9. Discuss the problems of Centre-State financial relations in India. How has India been approaching the solutions to these problems ?
10. Distinguish between the 'stated preference method' and 'revealed preference method' of environmental valuation. Discuss any one of the two methods with an example from India.
11. How far have the recent tax reforms been effective in India ? What further reforms would you suggest for making the Indian tax system efficient and dynamic?
12. What are the environmental implications of economic growth ? Do you think that instead of a trade-off between economic growth and environment there can be a win-win situation also? Explain.
13. Explain the 'start-up-India' programme. Is it consistent with the view that innovations and market structure are intertwined? Illustrate with suitable examples.
14. Explain the role and responsibilities of the Panchayati Raj Institutions (PRIs) in India. Make an appraisal in the context of the recent developments in India.