

**GENERAL ECONOMICS – III**

*Time Allowed : Three Hours*

*Maximum Marks : 200*

**INSTRUCTIONS**

*The question paper consists of three Sections. Candidates should attempt FIVE parts of the question in Section I, SEVEN questions from Section II and TWO questions from Section III.*

*Candidates should attempt questions as per the instructions given in each Section.*

*The number of marks carried by each question is indicated in each Section.*

*Answers must be written only in ENGLISH.*

*Any assumptions made for answering a question must be mentioned clearly.*

(Contd.)

## Section – I

Attempt any *five* parts of the following question. Answer to each part should be of approximately 50 words.

7×5=35

1. Write short notes on the following :
  - (a) Optimal taxation
  - (b) Debt Trap
  - (c) Green GDP
  - (d) Negative externalities
  - (e) Entry Barriers
  - (f) Economies of Scale

## Section – II

Attempt any *seven* of the following questions. Answer to each should be in about 150 words.

15×7=105

2. Explain the concept of equity in taxation. Analyse how ability-to-pay theory is useful in achieving it.
3. What do you mean by tax incidence ? Analyse how is it determined under the modern theory of incidence of taxation.

4. In the context of a globalising economy, explain how the rationale for planning differs from the rationale for government intervention generally.
5. Do you agree with the view that Public Debt is an asset and not a liability ? Justify your answer.
6. What do you mean by Environmental Pollution ? Evaluate different mechanisms to contain pollutions.
7. Explain the causes and consequences of global climate change and analyse international initiatives undertaken in this regard.
8. Define socially optimum exploitation of an exhaustable resource. Examine Coase theorem to ensure socially optimum solution.
9. Analyse how the price and output are determined under Monopolistic Market structure.
10. What do you mean by the Industrial Location ? Explain briefly Alfred Weber's Theory of location.

### Section - III

Attempt any *two* of the following questions in about 500 words each :

30×2=60

11. Outline the steps involved in the formulation of Cost-Benefit Analysis. How is it useful in the selection of Public Projects ?

12. Discuss the relationship between the economy and environment and explain the methodology of Integrated Environmental and Economic Accounting.
  
  13. Explain the Schumpeterian concept of innovation. Examine the role and importance of Research and Development and Innovation in industrial growth.
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