

RAMAKRISHNA MISSION VIDYAMANDIRA

(Residential Autonomous College under University of Calcutta)

B.A./B.Sc. SIXTH SEMESTER EXAMINATION, MAY 2014

THIRD YEAR

ECONOMICS (Honours)

Paper : VIII

Date : 28/05/2014

Time : 11 am – 3 pm

Full Marks : 100

[Use a separate Answer Book for each group]

Group – A

1. Answer **any three** questions of the following : (3 × 4)
 - a) Explain the shape of the Richardian Supply Curve.
 - b) Distinguish between ‘factor abundance’ and ‘factor intensity’.
 - c) Distinguish between ‘Gains due to exchange’ and ‘Gains due to specialization’.
 - d) Explain ‘Metzler's Paradox’ in brief.
 - e) Some empirical verification of the H.O theory have yielded contradictory results. Can you suggest reasons for that?
 - f) State and analyse the Rybczynski Theorem.
2. Answer **any one** question of the following : (1 × 8)
 - a) Explain the shape of the Production Possibility Schedule in Heckscher-ohlin model in the case of both fixed coefficients and variable coefficients. (8)
 - b) Compare and contrast the effect of tariff and quota on imports. When will the effects of tariff and quota be equivalent? (6 + 2)
3. Answer **any two** questions of the following : (2 × 15)
 - a) Distinguish between absolute and comparative advantage. Explain, how the Richardian theory explains the gains from trade in case of a two commodity framework. What will be the pattern of trade if the number of commodities increases to three? (2 + 10 + 3)
 - b) How does one explain intra-industry trade in the context of a monopolistic competition and presence of economies of scale. (15)
 - c) i) Show, with the help of partial equilibrium analysis the difference in the welfare impact of tariff in case of a large country vis-a-vis a small country. (8)
ii) Show that for a small country the optimum tariff is zero. (7)
 - d) i) What is factor intensity reversal? (3)
ii) “Assumption of irreversibility of factor intensity is neither necessary nor sufficient for the factor price equalisation theorem” —do you agree? (12)

Group – B

4. Answer **any three** questions of the following : (3 × 4)
 - a) Mention any two types of Land Revenue Settlements that prevailed in British India.
 - b) Distinguish between ‘internal’ and ‘external’ drain.
 - c) Mention briefly the impacts of American Civil War on Commercialisation of Indian agriculture.
 - d) Do you think that there was any positive impact on indian economy due to the development of Indian Railway during British Rule? Discuss.
 - e) Why ‘decline of handicrafts’ was termed as de-industrialisation?
 - f) Mention some of the limitations of the irrigation policy of the British Government in India.

5. Answer **any one** question of the following : (1 × 8)
- a) Discuss some of the basic features of the colonial economy in India.
 - b) Discuss about the consequences of 'economic drain' in India during British Rule.
6. Answer **any two** questions of the following : (2 × 15)
- a) What do you mean by commercialisation of agriculture? Discuss the major causes and important consequences of commercialisation of Indian agriculture during the British period. (2 + 7 + 6)
 - b) i) Distinguish between 'Old Guarantee System' and 'New Guarantee System' introduced in Indian Railway during the British period. (7)
ii) Discuss about the Railway vs. Irrigation controversy in India during British period. (8)
 - c) What were the main causes and important consequences of 'de-industrialization' during the British period? Mention in this context the essence of the 'de-industrialization' debate. (6 + 5 + 4)
 - d) Why was the policy of Permanent Settlement introduced in India? Discuss critically the impacts of this policy on overall development of the Indian economy during the British period. (5 + 10)

