

GENERAL ECONOMICS

PAPER—III

Time Allowed : Three Hours

Maximum Marks : 200

QUESTION PAPER SPECIFIC INSTRUCTIONS

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

There are SIXTEEN questions divided under THREE Sections.

The ONLY question in Section A is compulsory.

In Section B, SIX out of NINE 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.

Attempts of questions 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 QCA Booklet 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

1. Answer **all** of the following parts in about 100 words each : 5×6=30
- (a) What do you understand by deadweight loss (excess burden) in commodity taxation?
 - (b) Explain the role of Green Climate Fund.
 - (c) What is Entry Preventing Pricing Strategy?
 - (d) What do you understand by Carbon Trading?
 - (e) What is decentralized planning? Explain.
 - (f) How would a social discount rate differ from private discount rate? Illustrate.

SECTION—B

Answer **any six** questions out of the following nine questions in about 200 words each : 15×6=90

- 2. Explain the concepts of revenue deficit, effective revenue deficit, fiscal deficit and primary deficit.
- 3. Distinguish between 'Ability to Pay' and 'Benefit' principles of taxation.
- 4. Explain the System of Environmental-Economic Accounting (SEEA). Is it a good framework for environmental economic accounting?
- 5. Explain the concepts of target variables and instrumental variables, and structural equations in the context of planning models.
- 6. Elaborate the reasons and advantages of replacing MRTP policy with competition policy.
- 7. Discuss the need and role of community participation in local level planning.
- 8. (a) What are the determinants of economic efficiency in production?
(b) Distinguish between allocative efficiency and technical efficiency.
- 9. Explain the role of European Union Emission Trading System (EU-ETS) as a generator of Carbon Credit.
- 10. Distinguish between Cournot and Bertrand models of duopoly.

SECTION—C

Answer *any four* questions out of the following six questions in about 300 words each :

20×4=80

11. Explain the concept of Social Cost-Benefit Analysis in project planning. Elucidate the need and relevance of this criterion.
12. Discuss the various environmental policy instruments for tackling problems of pollution with suitable examples.
13. Discuss the roles of State, market and planning as the three legs of development from the perspectives of equity and efficiency.
14. Critically examine whether the goal of sustainable development is compatible with strategy of accelerated growth.
15. Explain the conditions under which a business is able to engage in price discrimination. Illustrate with suitable examples of market models.
16. According to Coase theorem, in the event of zero transaction cost, clear assignment of property rights would optimally allocate the resources. What are its policy implications for government intervention? Elucidate.

