

GENERAL ECONOMICS**Paper II**

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 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'

(The **ONLY** question in this Section is compulsory)

6×5=30

1. Answer the following questions in about 100 words each :
 - 1.(a) Explain why Karl Marx's prophecy that the capitalist system doomed to collapse did not happen.
 - 1.(b) Explain Friedman's demand for money function.
 - 1.(c) Monetary policy is the most effective in the classical range and ineffective in the Keynesian range. Comment.
 - 1.(d) Compare demand-pull inflation arising from real factors with that arising from monetary factors.
 - 1.(e) What are common reasons someone might use derivatives ?
 - 1.(f) What are the effects of rules of origin on international trade ?