

SAMPLE QUESTION BANK

Attempt any four questions

Each question carries equal weightage

Duration: 2 hours

Maximum marks: 75

Q1. Apply the Harrod Domar model to examine the possible fallouts of the current migrant crisis happening in India due to the COVID 19 pandemic and also list in detail all the assumptions you take in setting up a practical premise for the model.

Q2. Using the basic nutrition model of the labor market, explain the presence of high involuntary unemployment in India and also suggest some apt policies that the government should take up in this regard.

Q3. "Trade Policy is politically contentious because it has important domestic distributional consequences and because it generates clashes between values and institutions in different nations." Discuss.

Q4. In an output- credit interlinkage between a trader and a farmer, recall that the borrower-farmer maximizes his profit. Note that (i) marginal revenue equals price times marginal product of an extra rs.1 of loan and that marginal cost equals rs.1 plus the rate of interest on rs.1. Show that if MP is marginal product, price= p and i = rate of interest, then $MP = (i+1)/p$. Show that if p^* is the price contracted by the trader and i^* is the rate of interest charged by the trader, $(1+i)/p = (1+i^*)/p^*$, keep in mind that the optimal contractual terms must not distort the size of the loan.

Q5. Discuss and explain the process of causality through which international economic integration affects rural poverty, especially in the context of the developing economies.

Q6. Suppose we have 100 different firms emitting pollution. The Ministry of environment currently regulates these firms by requiring specific pollution control equipment to be installed by each firm. The Ministry of environment is considering issuing tradable permits to each firm indicating how much pollution the firm may emit. Permits would be issued in such a way as to result in the same amount of pollution as the technology regulations. Discuss the implications of switching to tradeable permits on the likelihood of seeing research and development to reduce the cost of pollution control.