

MPL-629

REC-02

M.Phil. DEGREE EXAMINATION – JUNE 2006.

Economics

GENERAL ECONOMIC THEORY

Time : 3 hours

Maximum marks : 75

PART A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. What is general equilibrium analysis?
2. Distinguish between inter-regional trade and international trade.
3. Outline the assumptions of revealed preference hypothesis.
4. Define welfare economics. Explain pareto-optimal allocation of factors in a developing economy.
5. Enumerate the measures to control inflation in a developing economy.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

6. Explain how Rawls theory of justice differs from Pareto-optimality theory.
7. Discuss the Tobin's expression of liquidity preference as "Behaviour Towards Risk".
8. Describe Fieldman's restatement of quantity theory of money with reference to positive economics.
9. Define human capital. Explain the significance of investment in education and health for economic growth of a country.
10. Describe expected utility function hypothesis and how it is useful in the study of consumer behaviour when uncertainty prevails?
11. Bring out the environmental consequences of rural-urban migration.
12. Examine the causes and consequences of air pollution. Suggest remedies.