



**INSTITUTE OF DISTANCE AND OPEN LEARNING
GAUHATI UNIVERSITY**

**Home Assignment
M.A in Economics
Final Year (2008-2009)**

Guidelines for Submission:

1. Write your name, session, roll number, the topic selected and the title of the answer *clearly on the top*.
 2. Each topic given in each paper will be answered as **one essay** of *not more than 1000 words each*. There will be negative marking for writing in excess of the word-limit.
 3. Each answer (essay) carries a weightage of **20 marks**.
 4. Keep a margin of about 1 inch on each side of the page.
 5. You can submit the essay written in your own hand-writing on clean, foolscap sheets, or A-4 sized paper.
 6. In case you prefer to submit type-written answers, make sure that there are no typing errors which will deduct from the overall impression.
 7. Do not submit commercially purchased answers as such a practice is deemed to be unfair.
 8. You are permitted to submit your assignment by 30th June, 2010. Please note that if you submit after 30th June, 2010, it may not be considered.
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Paper VI : Issues of Indian Economy

(Total – 20 marks)

All questions are of equal value – 20 marks each

Answer any one :

- 1) Explain the conceptual issues in measurement of unemployment. Analyse the current unemployment situation in India and the policy to deal with it.
- 2) Discuss the evolution of Industrial policy of India from 1956 to 1991. Analyse the impact of the Industrial Policy of 1991.

Paper VII : International Economics

(Total – 20 marks)

All questions are of equal value – 20 marks each

Answer any one :

- 1) Analyse the economic impact of imposition of tariff taking into account all possible feedback effects.
- 2) Show that International trade can be a substitute for mobility of factors of production. State the conditions under which the result hold.

Paper VII, IX & X : Any three of the following :

(a) Public Finance and Fiscal Policy

(Total – 20 marks)

All questions are of equal value – 20 marks each

Answer any one :

- 1) Explain the general equilibrium model for public expenditure. How does it do away with the limitations of the Voluntary Exchange Model.
- 2) Discuss how a Balanced Budget can have an expansionary as well as a contractionary effect in the economy.

(b) Economics of Human Resource Development.

(Total – 20 marks)

All questions are of equal value – 20 marks each

Answer any one :

- 1) Explain the Inter-Industry Model for forecasting manpower demand. Discuss how this model is superior to other models for manpower requirement forecasting.
- 2) Discuss the challenge and opportunities in higher education arising from Globalisation process.

(c) Agricultural Economics.

(Total – 20 marks)

All questions are of equal value – 20 marks each

Answer any one :

- 1) Discuss the historical and contemporary role and nature of agricultural rice policy. Assess the contribution of agriculture price in the success of the Green Revolution in India.
- 2) Discuss the economic consequences of different forms of tenancy. Outline the nature of tenancy reforms in India and their outcome.

(d) Methamatical Economics

(Total – 20 marks)

Answer any one :

- 1) (a) A consumer has a utility function $u = x^a y^b$; whose x and y are the quantities of two commodities that the consumer consumes, a and b are parameters with restriction $1 > a > 0$ and $1 > b > 0$ and u is the utility index. Show that indifference curve of the utility function is negatively sloped and convex to the origin. (10)
- (b) An economy with goods market and money market has the following equilibrium as well as behavioural equations. (10)

$$\begin{aligned}
 Y &= C + I \\
 C &= 100 + 0.8Y \\
 I &= 500 - 0.2r \\
 M^d &= M^s \\
 M^d &= 52 + 0.2y - 10.2r \\
 M^s &= 600
 \end{aligned}$$

Where Y = income, C = consumption, I = Investment, M^d = Demand of money, M^s = Supplu of money.

Find equilibrium income and rate of interest using Cramev’s rule.

OR

- 2) (a) A manufacturer firm produces two products jointly x_1 and x_2 . The production passes through three processes-cutting, mining and packaging machines. Each machine can be used for maximum 12 hours daily. The per unit rate of profit and processing requirement of the two products x_1 x_2 are given in the following table.

<u>Type of machine</u>	<u>Hours of processing needed</u>	
	<u>Per unit output</u>	
	<u>X_1</u>	<u>X_2</u>
Cutting	$\frac{3}{4}$	0
Mining	0	$1\frac{1}{2}$
Packaging	$\frac{1}{2}$	1
Profit per unit	2	5

Using simplex method, find out the optimum combination of X_1 and X_2 which maximizes profit and also find out maximum profit. (10)

- (b) Prove that under certain condition Constant Elasticity of Substitution (CES) approaches to Cobb-Douglas production function. (10)

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