2009

M.A. / M.Sc.

1st Semester Examination

ECONOMICS WITH RURAL DEVELOPMENT

PAPER—III

Full Marks : 40

Time : 2 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

Group—A

1. Answer any *five* questions :   2×5

    (a) Distinguish between an organisation and an institution.

    (b) Define a classical firm (Alchian & Demsotz [1972]).

    (c) Under what conditions the production possibility frontier in a two commodity – two factor economy becomes negatively sloped straight line ?

    (d) What is meant by market failure by incentive ?

    (e) Define technological optimality of a firm.

    (f) Define a joint stock company.

    (g) Distinguish between a take over and a merger.

    (h) Distinguish between vertical integration and horizontal integration.

    (i) Define a public good.

    (j) What do you mean by 'team production'

Group—B

Answer any *two* questions.   5×2

2. Show that Pareto optimality is necessary but not sufficient for maximisation of social welfare.

3. Distinguish technological externality from pecuniary externality.

4. Explain in detail the role of division of labour in arriving at the technological optimality of a firm.

5. Explain in brief the features of a multi-national corporation.

Group—C

Answer any *two* questions.   10×2

6. Explain the role of economic organisation in the functioning of a market economy.

7. Define 'information cost'. Explain how the concept of 'information cost' is used for the existence of 'firm'.

8. Derive sustainable yield for a renewable resource.

9. Describe the Miller-Modigliani model for determining the optimum capital structure of a joint stock company.

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