[This question paper contains 4 printed pages.]

Your Roll No...............

H

Sr. No. of Question Paper : 1357

Unique Paper Code : 12271601

Name of the Paper : Indian Economy-II

Name of the Course : **B.A. Hons. Economics Core**

Semester : VI

Duration : 3 Hours Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Answer any **five** questions out of **eight**.
3. **All** questions carry equal marks.
4. Answers may be written either in English or Hindi; but the same medium should be used throughout the paper.

छात्रों के लिए निर्देश

1. इस प्रश्न-पत्र के मिलते ही ऊपर दिए गए निर्धारित स्थान पर अपना अनुक्रमांक लिखिए ।
2. आठ में से किन्हीं पाँच प्रश्नों के उत्तर दीजिए ।
3. सभी प्रश्नों के अंक समान हैं ।
4. इस प्रश्न-पत्र का उत्तर अंग्रेजी या हिंदी किसी एक भाषा में दीजिए, लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए ।

1. Outline the reforms that have been initiated in the tariff measures in India's trade policy since 1991. What does a comparison of India's Average MFN Tariffs with Tariffs of APEC (Asia Pacific Economic Cooperation) economies reveal? (10+5)

1991 के बाद से भारत की व्यापार नीति में टैरिफ उपायों में शुरू किए गए सुधारों को रेखांकित करें। APEC (एशिया - प्रशांत महासागरीय आर्थिक सहयोग) अर्थव्यवस्थाओं के टैरिफ के साथ भारत के औसत MFN टैरिफ की तुलना से क्या पता चलता है ?

2. India had become a much more open economy since 1991 as compared to pre-liberalisation phase. Do you think an inward orientation based on the recent initiatives of *atmanirbharta* may confine the Indian economy to mediocrity? Why or why not? (15)

उदारीकरण पूर्व चरण की तुलना में भारत 1991 के बाद से अधिक खुली अर्थव्यवस्था बन गया था। क्या आपको लगता है कि आत्मनिर्भर भारत की हालिया पहलों पर आधारित अंतर्मुखी अभिन्यास भारतीय अर्थव्यवस्था को औसत दर्जे तक सीमित कर सकता है ? क्यों या क्यों नहीं?

3. What do you understand by Global Value Chains (GVC)? Analyse the performance of India in the global value chains during 2005-2015 period. (5+10)

वैश्विक मूल्य श्रृंखलाओं (GVC) से आप क्या समझते हैं ? 2005 – 2015 की अवधि के दौरान वैश्विक मूल्य श्रृंखलाओं में भारत के प्रदर्शन का विश्लेषण करें।

4. Critically examine the flexibility-rigidity debate with special reference to the Indian labour market. Enumerate some important labour market reform measures undertaken since 2015 by the central government for the benefit of workers and employers. (7.5+7.5)

भारतीय श्रम बाजार के विशेष संदर्भ में लचीलेपन – कठोरता बहस का आलोचनात्मक परीक्षण करें। श्रमिकों और नियोक्ताओं के लाभ के लिए केंद्र सरकार द्वारा 2015 से किए गए कुछ महत्वपूर्ण श्रम बाजार सुधार उपायों की गणना करें।

5. The pace of growth in farmer's incomes that started in 2004-2005 could not be sustained after 2011-2012. What are the factors that contributed to the above phenomenon? Discuss the factors that led to distress among farmers in recent years. (7.5+7.5)

2004 – 2005 में शुरू हुई किसान आय में वृद्धि की गति 2011 – 2012 के बाद कायम नहीं रह सकी।उपरोक्त घटना में योगदान देने वाले कारक क्या हैं? हाल के वर्षों में किसानों के बीच संकट पैदा करने वाले कारकों की चर्चा कीजिए।

6. Critically analyse the impact of the now repealed farm laws on increasing the farm incomes of the agricultural sector. (15)

"कृषि क्षेत्र में खेती से आय में वृद्धि पर हाल में निरस्त कृषि कानूनों के प्रभाव का आलोचनात्मक विश्लेषण करें।

7. What do you understand by "Stigmatized Capitalism"? In your opinion, what does India stand to gain or lose by following this model? (5+10)

"कलंकित पूंजीवाद" से आप क्या समझते हैं? आपकी राय में, इस मॉडल का पालन करने से भारत को क्या लाभ या हानि होती है?

8. What do you understand by 'Jobless growth?' Briefly discuss the Indian experience with regard to growth and employment generation since independence. (5+10)

'रोजगार रहित विकास' से आप क्या समझते हैं? आजादी के बाद से विकास और रोजगार सृजन के संबंध में भारतीय अनुभव की संक्षेप में चर्चा करें।

[This question paper contains 4 printed pages]

Your Roll No..............

H

Sr. No. of Question Paper : **1502**

Unique Paper Code : 12277614

Name of the Paper : Open Economy Macroeconomics

Name of the Course : **B.A. (H) Economics**

Semester : VI

Duration : 3 Hours Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.

2. Paper has **two** sections. **Part A** and **Part B**

3. Attempt any **SIX** out of eight from **part A** and any **THREE** out of four from **part B.**

PART A

Attempt any **SIX** questions

1. (a) In closed economy, saving- investment equality holds true. Why is not the same true for open economy? Derive the relation between saving and investment in open economy. In an open economy, if savings is greater than investments, what will happen to the foreign capital movement and current account balance? (3)

(b) Why are price levels lower generally in poorer countries? (2)

P.T.O.

2. (a) Why is fiscal policy most effective under fixed exchange rate regime? (2)

   (b) Why does the government devalue currency? Give three reasons. (3)

3. Derive the AA- schedule. List and explain the factors that can cause a shift in the AA schedule. (5)

4. It is sometimes observed that a country's current account worsens immediately after a real currency depreciation and begins to improve only sometimes later. This phenomenon is popularly represented by J-curve. Explain the phenomenon. (5)

5. (a) What is the reserve currency? How does the country whose currency is held as reserve currency occupy special position? (3)

   (b) Why did fixed exchange regime collapse in 1970s? (2)

6. (a) Explain the sterilised foreign exchange intervention of a central bank with suitable example. (2)

   (b) Is the managed floating an intermediate exchange rate? Why does a small country peg its exchange rate against large and strong country? Explain with example. (3)

7. Discuss the merits and demerits of Gold Standard. (2+3=5)

8. (a) Is fixed exchange rate relevant in the present times? Discuss. (2)

   (b) Asian Economic crises of 1997 termed as a "shock and awe" to their economies. Delineate the major causes. (3)

PART B

Attempt any **THREE** questions

9. Under the Fixed Exchange Rate Regime, Central bank attempts to maintain fixed exchange rate. Why does central bank fail to do so. If the currency devaluation becomes inevitable, how does it lead to 'balance of payment crisis'? Can the timing of balance of payment crisis be predictable? Explain with diagram. (15)

10. Discuss "Four Zone of Economic Discomfort" referring to determinants of internal and external balance. Suggest policy options if the economy is facing underemployment and current account deficit. Why is not the Expenditure Switching Policy frequently recommended as a policy-option under Bretton Woods Agreement? Is fiscal policy hassle- free as a policy option? (15)

11. During 1990s, a slew of financial crises has occurred in developing countries. What were the possible reasons. What were the lessons learnt from these crises? Critically analyse. (7+8=15)

12. There are two country Falland and Railand, and their currencies are foller (f) and ren (r) respectively. Suppose that current exchange rate is foliar 1.15 per ren. However, the exchange rate is expected to be foliar 1.20 per ren in a year. Suppose that the foliar interest rate is 10 percent per year while the ren interest rate is 5 percent per year. This means a deposit of f1.00 pays fl. 10 after a year while a deposit of r1 pays r1.05 after a year,

(i) Which of these deposits offers the higher return? (5)

(ii) If the follar interest rate is 15 percent per year while ren interest rate is 12 percent per year, and exchange rate changes as mentioned above, in this situation which deposits offers higher return? (5)

(iii) If the current exchange rate is unchanged, and expected exchange rate is foliar 1.10 per ren in a year, while interest rates are 10% and 20% for foliar and ren deposits respectively, which of these deposits offers the higher return? (5)

[This question paper contains 12 printed pages.]

Your Roll No...............

Sr. No. of Question Paper : 1651 **H**

Unique Paper Code : 12277606

Name of the Paper : Money & Financial Markets

Name of the Course : **B.A. (Hons.) Economics**

Semester : VI

Duration : 3 Hours Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.
2. Attempt any **Five** questions.
3. The distribution of the marks is given with the question.
4. Answers may be written either in English or Hindi; but the same medium should be used throughout the paper.

छात्रों के लिए निर्देश

1. इस प्रश्न-पत्र के मिलते ही ऊपर दिए गए निर्धारित स्थान पर अपना अनुक्रमांक लिखिए ।
2. किन्हीं **पाँच** प्रश्नों के उत्तर दीजिए ।

P.T.O.

3. अंकों का वितरण प्रश्न के साथ दिया गया है ।

4. इस प्रश्न-पत्र का उत्तर अंग्रेजी या हिंदी किसी एक भाषा में दीजिए, लेकिन सभी उत्तरों का माध्यम एक ही होना चाहिए ।

1. (a) Enumerate the new Monetary and Liquidity aggregates. Explain how they are differentiated not on the basis of attributes of the instruments but on the nature and functions of the institutions issuing such instruments?

(b) Discuss the statement that "Complete Currency multiplier determines how much currency holdings increase due to change in monetary base".

(9+6)

(क) नए मौद्रिक और तरलता समुच्चय के बारे में एक एक कर बताएं। समझाएं कि उन्हें उपकरणों की विशेषताओं के आधार पर नहीं बल्कि ऐसे उपकरणों को जारी करने वाली संस्थाओं की प्रकृति और कार्यों के आधार पर कैसे विभेदित किया जाता है?

(ख) इस कथन पर चर्चा करें कि "पूर्ण मुद्रा गुणक यह निर्धारित करता है कि मौद्रिक आधार में परिवर्तन के कारण कितनी मुद्रा धारिता बढ़ती है"।

2. (a) (i) Explain briefly how the money multiplier can be made invariant to changes in cash reserve requirement?

(ii) What happens when banks resort to discretionary finance from the Central bank and maintain excess reserves?

(b) Using the money multiplier approach, explain the money supply response to changes in the following variables

(i) Fall in (C/DD) ratio

(ii) Fall in (TD/DD) ratio

(iii) Decline in reserve ratio

(c) Consider the following data :

Required reserve ratio = 0.20

Excess reserve ratio = 0.05

Deposits = Rs. 400 Billion

(i) What are the total banking system reserves (required + excess)?

(ii) The Central Bank cuts the required reserve ratio from 0.20 to 0.15 in order to augment the liquidity in the system. What will be the new level of total reserves?

(iii) If the deposits increase from Rs. 400 Billion to Rs 500 billion, what is the amount of incremental reserves the banking system needs to maintain the initial required reserve ratio of 0.20? (6+3+6)

(क) (i) संक्षेप में व्याख्या कीजिए कि किस प्रकार मुद्रा गुणक को नकद आरक्षित आवश्यकता में परिवर्तन के लिए अपरिवर्तनीय बनाया जा सकता है?

(ii) क्या होता है जब बैंक केंद्रीय बैंक से विवेकाधीन वित्त का सहारा लेते हैं और अतिरिक्त भंडार बनाए रखते हैं?

(ख) मुद्रा गुणक दृष्टिकोण का उपयोग करते हुए, निम्नलिखित चरों में परिवर्तन के लिए मुद्रा आपूर्ति प्रतिक्रिया की व्याख्या करें

(i) (C/DD) अनुपात में गिरावट

(ii) (TD/DD) अनुपात में गिरावट

(iii) आरक्षित अनुपात में गिरावट

(ग) निम्नलिखित आंकड़ों पर विचार करें :

आवश्यक आरक्षित अनुपात = 0.20

अतिरिक्त आरक्षित अनुपात = 0.05

जमा = 400 अरब रुपये

(i) कुलबैंकिंग प्रणाली भंडार (आवश्यक + अतिरिक्त) क्या हैं?

(ii) तंत्र में तरलता बढ़ाने के लिए केंद्रीय बैंक आवश्यक आरक्षित अनुपात को 0.20 से घटाकर 0.15 कर देता है। कुल भंडार का नया स्तर क्या होगा?

(iii) यदि जमा राशि 400 अरब रुपये से बढ़कर 500 अरब रुपये होता है, बैंकिंग प्रणाली को 0.20 के प्रारंभिक वांछित आरक्षित अनुपात को बनाए रखने के लिए आवश्यक वृद्धिशील भंडार की राशि क्या है?

3. (a) "Equity contracts are subject to a particular type of moral hazard called Principal-Agent problem". Discuss the above statement and the tools to solve Principal-Agent Problem.

(b) Consider a put option for a unit of Asset ABC with a strike price of Rs. 150. If the option price is Rs. 5 and the current price is Rs. 150, contrast the long put position with the short put position using a table and graphs. (7+8)

(क) "इक्विटी अनुबंध एक विशेष प्रकार के नैतिक खतरे के अधीन हैं जिसे प्रिंसिपल-एजेंट समस्या कहा जाता है"। उपरोक्त कथन और प्रिंसिपल-एजेंट समस्या को हल करने के लिए उपकरणों पर चर्चा करें।

(ख) 150 रुपये के स्ट्राइक मूल्य के साथ परिसंपत्ति ABC की एक इकाई के लिए एक पुट विकल्प पर विचार करें। यदि विकल्प मूल्य 5 रुपये और वर्तमान मूल्य 150 रुपये है, तालिका और आरेख का उपयोग करते हुए शॉर्ट पुट पोजीशन के साथ लॉन्ग पुट पोजीशन की तुलना करें।

4. (a) As the market interest rate falls, the price of a debt instrument sold on discount basis rises. Discuss the statement with a suitable illustration and diagram.

(b) Distinguish between discount yield and yield to maturity? Which is a better measure and why? Calculate the discount yield and yield to maturity of treasury bills that matures in 365 days with a face value of Rs. 10,000 at the following purchase prices.

(i) Rs. 9500

(ii) Rs. 9000 (7+8)

(क) जैसे ही बाजार की ब्याज दर गिरती है, छूट के आधार पर बेचे गए ऋण विलेख की कीमत बढ़ जाती है। उपयुक्त उदाहरण और आरेख के साथ कथन पर चर्चा करें।

(ख) डिस्काउंट प्रतिफल और परिपक्वता प्रतिफल के बीच अंतर बताएं? कौन सा उपाय बेहतर है और क्यों? 10,000 रुपये के अंकित मूल्य के साथ 365 दिनों में परिपक्व होने वाले ट्रेजरी बिलों के लिए निम्नलिखित खरीद मूल्यों पर डिस्काउंट प्रतिफल और परिपक्ता प्रतिफल की गणना करें।

(i) 9500 रुपये

(ii) 9000 रुपये

5. (a) Using the loanable funds theory, discuss the statement "the default risk premium can be illustrated by the difference between the interest rate for risky loans and the interest rate for default free loans".

(b) Determine the short and long term interest rates under segmented market hypothesis. What is the rationale for the hypothesis? (9+6)

(क) ऋण योग्य निधि सिद्धांत का उपयोग करते हुए, "डिफॉल्ट जोखिम प्रीमियम को जोखिम भरे ऋणों के लिए ब्याज दर और डिफॉल्ट मुक्त ऋणों के लिए ब्याज दर के बीच के अंतर से स्पष्ट किया जा सकता है" कथन पर चर्चा करें।

(ख) खंडित बाजार परिकल्पना के तहत छोटी और लंबी अवधि की ब्याज दरों का निर्धारण करें। परिकल्पना का औचित्य क्या है?

6. (a) In India, banks are the main conduits through which monetary impulses are transmitted to the real economy. In this context review the bank's lending rate system since the early 90s.

(b) Compare and contrast the policy response to the banking crisis that started in 1997 and in the aftermath of 2008 Global financial crisis?

(9+6)

(क) भारत में, बैंक मुख्य साधन हैं जिनके माध्यम से मौद्रिक आवेगों को वास्तविक अर्थव्यवस्था में संचारित किया जाता है। इस संदर्भ में 90 के दशक की शुरुआत से बैंक की उधार दर प्रणाली की समीक्षा करें।

(ख) 1997 में शुरू हुए बैंकिंग संकट और 2008 के वैश्विक वित्तीय संकट के बाद के बैंकिंग संकट के विरुद्ध नीति प्रतिक्रिया की तुलना और अंतर करें।

7. (a) Explain the goals and instruments of monetary policy in India.

(b) What is flexible inflation targeting in India? Discuss the Operating framework of monetary policy under flexible inflation targeting in India. (6+9)

(क) भारत में मौद्रिक नीति के लक्ष्यों और साधनों की व्याख्या कीजिए।

(ख) भारत में लचीला मुद्रास्फीति लक्ष्यीकरण क्या है? भारत में लचीले मुद्रास्फीति लक्ष्यीकरण के तहत मौद्रिक नीति के परिचालन ढांचे पर चर्चा करें।

8. (a) What is unconventional monetary policy? Discuss the key features of the unconventional monetary policy measures and their applications in India.

(b) Explain how Lags can be a constraint in monetary policy making. (9+6)

(क) अपरंपरागत मौद्रिक नीति क्या है? अपरंपरागत मौद्रिक नीति उपायों की प्रमुख विशेषताओं और भारत में उनके अनुप्रयोगों पर चर्चा करें।

(ख) स्पष्ट करें कि मौद्रिक नीति निर्माण में मंदगति कैसे एक बाधा हो सकता है।

[This question paper contains 4 printed pages.]

Your Roll No............

Sr. No. of Question Paper : 1654 **H**

Unique Paper Code : 12277614

Name of the Paper : Open Economy Macroeconomics

Name of the Course : **B.A. (H) Economics**

Semester : VI

Duration : 3 Hours Maximum Marks : 75

Instructions for Candidates

1. Write your Roll No. on the top immediately on receipt of this question paper.

2. The paper has **two** sections. **Part A** and **Part B**

3. Attempt any **SIX** out of eight from **part A** and any **THREE** out of **four** from **part B**.

PART A

Attempt any **SIX** questions

1. (a) In Gold Standard, the automatic mechanism is a potent tool for the balance of payment equilibrium. If a country incurs a current account surplus (CAS), does it worsen international policy coordination? (2)

(b) Typical fixed exchange rate under the Bretton Woods agreement came to an end in the 1970s. Discuss the case for flexible exchange rate. (3)

2. (a) Is Purchasing Power Parity a generalisation of the 'Law of One Price? (2)

(b) Define absolute PPP and relative PPP. Establish a relation between inflation and exchange rate through the interest parity equation. (3)

3. (a) Derive the relation among private saving, domestic investment, current account balance, and government saving. (2)

(b) What are the uses of private saving? (3)

4. (a) How does the Reserve Currency system give the dominant position to the reserve currency? (2)

(b) Why do countries demand International Reserves? Why has the growth rate of reserves risen in the 2000s in developing countries? (3)

5. (a) In the short-run, price level is rigid. However, any increase in money supply leads to upward pressure on output and raw materials demand. Discuss. (2)

(b) Show the relation among money supply, interest rate and exchange rate in the short-run. Use a suitable diagram. (3)

6. (a) Discuss the "bank run". What is the "bank capital"? (2)

(b) What is shadow banking? Is the regulator grappling with control of the working of shadow banking? (3)

7. (a) What is the financial trilemma? (3)

(b) How does the Basel Committee help regulate the banking system internationally? (2)

8. (a) What is the problem of "Original Sin" in the context of developing countries debt? (2)

(b) Outline the reasons for the debt crisis of the 1980s in the world. (3)

PART B

Attempt any **THREE** questions

9. Discuss the mechanics of balance of payment crises and capital flight in the expectation of currency devaluation. Use a suitable diagram. (15)

10. Discuss the phenomenon of bank failure citing major reasons. What are the safeguards suggested by experts against financial instability? What are the challenges in regulating the banking system in recent times? (15)

11. Establish a relation between the sticky price in the short-run and the exchange rate, when a permanent increase in money supply occurs. Discuss the mechanism of changes in the price level, and interest rate. Further, also show the dynamics of the short-run and long-run effects of an increase in the money supply. (15)

12. Consider an economy with the following information :

Gross private domestic saving = 40

Government purchase of goods and services = 30

GNP= 200

Current account balance= -20

Taxes=60

Government transfer payments to the domestic private sector= 25

Interest payments from the government to the domestic private sector= 15

Factor income received from the rest of the world= 7

Factor payment paid to rest of the world= 9

Find the following, assuming that the government investment is zero :

(a) Consumption (b) Net exports

(c) GDP (d) Net factor payments from abroad

(e) National saving

(3×5=15)