

2007

ECONOMICS

PAPER-V

Full Marks : 40

Time : 2 hours

The figures in the right-hand margin indicate marks

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

Illustrate the answers whenever necessary

1. Answer any **five** questions from the following: 2x5
- (a) Define 'Methodological individualism' in micro-foundation literature.
 - (b) What are the objectives of New Keynesian economics?
 - (c) Illustrate any two features of an economic system that support evolutionary thinking in economics.
 - (d) Give examples of institutional and technological sorting in evolutionary economics.
 - (e) Give an example of a general equilibrium model that contains macroeconomic, computable, and also overlapping generational characteristics.

(Turn Over)

- (f) Which type of models is called Dynamic Stochastic General Equilibrium (DSGE) model'?
 - (g) Define procyclical and countercyclical **real wages**.
 - (h) What is meant by the term 'misperception' in Worker-Misperception model'?
 - (i) What is the basic argument of the proponents of 'Kin-Selection' ?
 - (j) What is 'genuine altruism'?
2. Answer any *two* questions from the following: 5x2
- (a) **What are the main criticisms of Keynesian economics by the Neo-classicals?**
 - (b) Why according to the evolutionary economics, **microeconomic foundation is inadequate?**
 - (c) **How does the Mundel -Fleming model explain the equilibrium in an economy'?**
 - (d) **Explain briefly the non-mainstream approaches to microfoundation literature.**
3. Answer any *two* of the following questions : 10 x 2
- (a) **How does the Punctuated Equilibrium theory explain the process of macroeconomic changes from the evolutionary perspective? Discuss.** 10

- (b) What are the objectives of aggregate supply theories ? **Construct a sticky wage model to derive the aggregate supply curve and the Philips curve** 2+2+6
- (c) What is the objective of Bewassy Model (2006)? **Derive the Walrassian equilibrium values of output and employment in the model.** 2+8
- (d) **'As there is no single selection level in economics as compared to the role of gene in biology , macro-economic changes can well be treated as a hierarchical process.'** **Substantiate this statement after Gowdy and Van den Bergh.** 10