1. A perfectly competitive manufacturing industry is in long-run equilibrium. Energy is an important variable input in the production process, and therefore the price of energy is a variable cost. The price of energy decreases for all firms in the industry.
(a) Explain how and why the decrease in this input price will affect this manufacturing industry's output and price in the short-run.

(b) What will be the short-run effect on price, output and profit of a typical firm in this manufacturing industry? Explain.

(c) Will firms enter or exit this manufacturing industry in the long run? Why?

एक पूर्णत्व प्रतियोगी उत्पाद उद्योग दीर्घकालीन संतुलन की अवस्था में है। ऊर्जा एक मुख्य परिवर्तनशील उत्पादक है और इसलिए ऊर्जा की कीमत एक परिवर्तनशील लागत है। उद्योग में सभी फर्मों के लिए ऊर्जा की कीमतें गिरती हैं।

(अ) कैसे और क्यों लघुकालीन उत्पाद तथा कीमतें इस उद्योग में गिरेंगी? व्याख्या कीजिए।
2. (a) Define peak load pricing. How does it differ from the third degree price discrimination?

(b) Distinguish between Cournot and Bertrand models of duopoly.

3. Distinguish between Monetary union and Economic union. Do the proliferating trading blocks adversely affect the free trade in the world? Give reasons for your answer.
4. Explain the Keynesian and classical extreme monetary assumptions for showing their effects on the slope of LM curve.

5. Explain the importance of Public Debt in the process of economic growth. What are the main issues in the debt management in India?
6. Critically examine the steady-state equilibrium growth paths of the Swan-Solow and Harrod-Domar models. What is the role of State in correcting disequilibrium in these models?

7. Discuss the role of International Monetary Fund (IMF) in stabilizing the World Economy.

8. (a) What is the difference between the retail or client market and the wholesale or interbank market for foreign exchange?
(b) How are foreign exchange transactions between international banks settled?

(अ) खुदरा तथा ठोक विदेशी विनिमय बाजारों में अन्तर स्पष्ट कीजिये।

(ब) अंतरराष्ट्रीय बैंकों में विदेशी विनियम ट्रांजेक्शन्स कैसे सेटल होते हैं?