NATIONAL INSTITUTE OF TECHNOLOGY, HAMIRPUR (H.P)
End Semester Examination (B. Tech 5th Semester), December, 2022

Subject: Economic Theory **Course no. HS -371**

Time: 3 hour **Max. Marks: 50**

Note: All the questions are compulsory. Answers must be comprehensive and supported with suitable examples. The question paper is divided into two sections (A) and (B). Each question in Section A is worth 6 marks, while each question in Section B is worth 4 marks.

Section-A

1. Explain the problem of externality. How we can reduce negative externality.

2. What is asymmetric information? Explain how to solve this problem.

3. Explain emission standard and emission fee. Discuss the emission limit to check externality.

4. Monetarist and Keynesian view on macro theory and policy are in line, comment on the statement.

5. What do you mean by quantity theory of money? Explain cash balance approach.

Section-B

6. Explain the problem of moral hazard in insurance market.

7. What is property right? Explain Coase theorem for pollution market.

8. Explain the concept of money. Discuss the functions of money?

9. Distinguish between common and public goods. How these are differ from private goods?

10. Explain the relationship between unemployment and inflation with the help of Phillips curve.