

Instructions

1. **Attempt all questions**
2. Figures to the right indicate full marks.

Q.1 I) Explain the following. **(ANY FIVE)**

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- a) Totalitarian Capitalism
- b) Mixed Economy
- c) Static efficiency
- d) Negative economic incentives
- e) Mercantilism
- f) Consumer's Sovereignty
- g) Class Struggle
- h) Rate of Profit

II) State whether following statements are TRUE or FALSE. Justify your answer. **(ANY FIVE)**

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- a) Historical factors do not influence an economic system.
- b) Government has an important role to play under welfare Capitalism.
- c) Socialism is superior to Capitalism in achieving dynamic efficiency.
- d) Economic incentives play a major role in a Socialist economy.
- e) Mercantilists believed in government intervention.
- f) There is no economic freedom under pure Socialism.
- g) According to Marx, the working class will revolt.
- h) Falling rate of profit is a cause of collapse of Capitalism.

Q. 2. Answer **ANY TWO** of the following:

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- a) What are the different types of an economic system?
- b) Explain the factors influencing an economic system.
- c) Discuss the functions of an economic system.

Q.3. Answer **ANY TWO** of the following:

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- a) Explain in detail economic incentives.
- b) Evaluate the performance of Capitalist economies using the efficiency criteria.
- c) Discuss the role of economic freedom under Socialism.

Q.4 Answer **ANY TWO** of the following:

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- a) Discuss the main features of Mercantilism.
- b) What are the merits of Capitalism?
- c) Write a note on Welfare State.

Q.5 Answer **ANY TWO** of the following:

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- a) Discuss Marx's theory of surplus value.
- b) What is Marx's materialistic interpretation of history?
- c) Why, according to Marx, will Capitalism collapse?
