

Ex/UG/ECO/52/34/2017

Bachelor of Arts Examination 2017  
(3<sup>rd</sup> Year, 5<sup>th</sup> Semester)  
Economics (Honours)  
Classical Political Economy

Time: Two Hours

Full Marks: 30

Answer any three questions

1. According to Smith, why may market wages differ from their natural rates in the short run and in the long run? (4+6)
2. Describe Ricardo's Theory of Comparative Advantage in the context of International trade. Why did he ignore capital mobility in explaining international trade? (6+4)
3. What is Materialism? How does Marx use this concept in Historical Materialism? (4+6)
4. In Industrial Capitalism, why must the capitalist always face a rising wage bill? How does the capitalist typically address this issue and what are its consequences? (10)
5. Discuss the realisation crisis and its consequences. (10)