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|  | **Entrance Examination**  **March 2022** |
| **ECONOMICS**  Time allowed: 1.5 hours (90 minutes)  **Attempt any TWO questions**  **Standard non-programmable calculators are allowed** | |

1. The UK has committed to achieve net-zero carbon economy by 2050. What economic and regulatory measures would you suggest to facilitate the transition to net zero-carbon economy? Explain your answer. **(50 marks)**
2. Briefly explain how the Gross Domestic Product (GDP) is calculated. Discuss advantages and disadvantages of GDP statistics as indicators of a country’s standard of living. What alternative or complementary measures would you suggest? Explain your answer.

**(50 marks)**

1. Answer all questions below:
   1. Describe advantages and disadvantages of an economy characterized by perfect competition. **(25 marks)**
   2. Which products or services in your opinion should **not** be allocated through free markets? Explain your answer. **(25 marks)**
2. Explain how inequality has been measured. Discuss the factors that have been contributing to increasing inequality and the factors that have had a dampening effect on inequality in the 21st century. **(50 marks)**
3. According to the UK Office of National Statistics, the gender pay gap is calculated as the difference between average hourly earnings (excluding overtime) of men and women as a proportion of men's average hourly earnings (excluding overtime). It is a measure across all jobs in the UK. The gender pay gap has been declining over time and stood at 15.4% in April 2021. Discuss the possible reasons behind the gender pay gap. **(50 marks)**

1. Answer all questions below:
   1. Explain the concept of externality and give examples of externalities in public health. **(25 marks)**
   2. Propose policy solutions to deal with externalities identified in a). **(25 marks)**
2. Answer all questions below:

a. Explain how a rise in money supply can lead to a rise in national income. **(25 marks)**

1. Illustrate how the monetary policy has been used to stimulate economic recovery following the 2007-2008 financial crisis. **(25 marks)**

1. Answer all questions below:
   1. Discuss the factors affecting long-run economic growth of a country.

**(25 marks)**

* 1. Discuss the impact of Covid-19 on growth and development of a country of your choice. **(25 marks)**