



2019/TDC/EVEN/ECOHC-201T/060

TDC (CBCS) Even Semester Exam., 2019

ECONOMICS

(2nd Semester)

Course No. : ECOHCC-201T

(Introductory Macroeconomics)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

Answer all questions

UNIT—I

1. Answer any two of the following : $2 \times 2 = 4$

(a) What is circular flow of income?

(b) Mention two limitations of macroeconomics.

(c) State two points of importance of studies of national income accounts.

2. Answer either (a) or (b) from the following : 10

(a) (i) Distinguish between macroeconomics and microeconomics. 4

(ii) Discuss in brief the scope of macroeconomics. 6



- (b) (i) Make a distinction between GDP and GNP at market price.
- (ii) What is national income? Explain the value-added approach of estimation of national income. 2+5=7

UNIT—II

3. Answer any two of the following : 2x2=4
- (a) What are meant by money and near-money?
- (b) Distinguish between the crude and sophisticated versions of the quantity theory of money.
- (c) Give two assumptions of liquidity preference theory of interest.

4. Answer either (a) or (b) from the following : 10
- (a) (i) Explain the process of multiple expansion of deposits by a commercial bank.
- (ii) What are the limits to the process of credit creation by commercial banks?
- (b) What are the main instruments of monetary policy? Assess the effectiveness of monetary policy to tackle inflation. 5+5=10

- UNIT—III
5. Answer any two of the following : 2x2=4
- (a) Distinguish between creeping inflation and galloping inflation.
- (b) State two causes of inflation.
- (c) What is inflationary gap?

6. Answer either (a) or (b) from the following : 10
- (a) Examine the effects of inflation. How can inflation be controlled? 5+5=10
- (b) Explain clearly the following with the help of diagram : 5+5=10
- (i) Demand-pull inflation
- (ii) Cost-push inflation

UNIT—IV

7. Answer any two of the following : 2x2=4
- (a) Give two reasons behind the use of IS-LM tool in macroeconomic analysis.
- (b) What is fiscal policy?
- (c) State two Keynesian arguments against monetary rule.
8. Answer either (a) or (b) from the following : 10
- (a) (i) Compare and contrast the classical and the Keynesian models of income determination. 5
- (ii) Explain the impact of changes in money supply in the Keynesian systems. *** 5



(b) Examine the Keynesian view on effectiveness of—

(i) monetary policy;

(ii) fiscal policy.

5+5=10

UNIT—V

9. Answer any two of the following :

2×2=

(a) What are BoR deficit and surplus?

(b) Distinguish between balance of trade and balance of payments.

(c) Mention two causes of disequilibrium in balance of payments.

10. Answer either (a) or (b) from the following :

10

(a) Make a clear distinction between the following :

5+5=10

(i) Balance of current account and Balance of capital account

(ii) Autonomous transactions and Accommodating transactions

(b) What are the different types of disequilibrium in the balance of payments? How can the balance of payments' disequilibrium be corrected?

4+6=10
