

**2021/TDC/CBCS/ODD/  
ECOHCC-302T/455**

**TDC (CBCS) Odd Semester Exam., 2021  
held in March, 2022**

**ECONOMICS**

**( 3rd Semester )**

Course No. : ECOHCC-302T

**( Intermediate Macroeconomics—I )**

*Full Marks : 70*

*Pass Marks : 28*

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

**SECTION—A**

Answer any ten questions :  $2 \times 10 = 20$

1. What is aggregate supply?
2. Why is there an equilibrium in the economy, when  $AS=AD$ ?
3. What is called underemployment equilibrium?

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4. What is hyperinflation?
5. Write two effects of inflation on production.
6. Define stagflation.
7. What is purchasing power parity?
8. Define an open economy.
9. Name the different items of capital account of a balance of payments.
10. Define monetary policy.
11. What are the target variables of monetary policy?
12. Name two general credit control measures by the central bank.
13. Define indirect taxes with examples.
14. What are deficit budget and surplus budget?
15. Define crowding-out effect.

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( Continued )

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SECTION—B

Answer any *five* of the following questions :  $10 \times 5 = 50$

16. (a) What do you mean by effective demand?  
How is it determined? 2+5=7
- (b) Discuss the importance of effective demand. 3
17. (a) Write the different components of aggregate supply. 3
- (b) Explain the process of deriving the aggregate demand curve in IS-LM framework. 7
18. (a) How does the Phillips curve explain the trade-off between unemployment and inflation? 5
- (b) Discuss the policy implications of Phillips curve. 5
19. (a) Explain the theory of natural rate of unemployment. 6
- (b) Discuss the policy implications of natural rate of unemployment. 4
20. (a) Define foreign exchange market. 2
- (b) Explain the market theory of exchange rate determination. 8

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( Turn Over )

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21. (a) Discuss the basic model of monetary approach to BOP adjustments. 6  
(b) What is self-correcting mechanism of monetary approach? 4
22. (a) What is open market operation? How does it work to affect the money supply? 5  
(b) Describe in brief the different selective credit control measures of monetary policy. 5
23. (a) How does time lag affect the effectiveness of monetary policy? 5  
(b) Describe the limitations of monetary policy in less-developed countries. 5
24. (a) How does government borrowing affect private savings? 5  
(b) Cite few criticisms of Ricardian equivalence proposition. 5
25. (a) Is government debt a burden? Discuss briefly. 5  
(b) Write a note on different sources of public debt. 5

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