TDC (CBCS) Odd Semester Exam., 2022

ECONOMICS

(Honours)

(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*

UNIT—I

1. Answer any *two* of the following questions :

    2×2=4

    (a) What is aggregate demand?

    (b) What is effective demand?

    (c) Write two components of aggregate demand.

(*Turn Over*)

(2)

2. Answer any *one* of the following questions :   10

   (a) Explain the derivation of aggregate demand curve in IS-LM framework. Write the factors that cause shift in the AD curve.   7+3=10

   (b) (i) Explain the derivation of aggregate supply curve.

   (ii) Write the factors that cause shift in the supply curve.   7+3=10

UNIT—II

3. Answer any *two* of the following questions :   2×2=4

   (a) Define inflation and inflation rate.

   (b) Distinguish between demand pull and cost push inflation.

   (c) Distinguish between voluntary and involuntary unemployment.

4. Answer any *one* of the following questions :   10

   (a) (i) Distinguish between adaptive expectation and rational expectation.

   (ii) Discuss rational expectation theory.   4+6=10

J23/**271**   (Continued)

(3)

   (b) (i) What is Phillips curve?

   (ii) Explain the factors that cause the inverse relationship between wage rate and unemployment.   5+5=10

UNIT—III

5. Answer any *two* of the following questions :   2×2=4

   (a) What is exchange rate?

   (b) Define Balance of Payment.

   (c) Distinguish between a closed economy and an open economy.

6. Answer any *one* of the following questions :   10

   (a) Critically discuss Mundell-Fleming model.

   (b) Critically explain Purchasing Power Parity theory of exchange rate determination.

UNIT—IV

7. Answer any *two* of the following questions :   2×2=4

   (a) What do you mean by 'active' and 'passive' monetary policies?

J23/**271**   (Turn Over)

(b) Mention two targets of monetary policy.

(c) Distinguish between monetary role and discretionary monetary policy.

8. Answer any *one* of the following questions :   10

(a) Discuss the objectives of monetary policy.

(b) Discuss—

(i) instruments of monetary policy;

(ii) indicators of monetary policy.   5+5=10

UNIT—V

9. Answer any *two* of the following questions :

2×2=4

(a) What is Fiscal Policy?

(b) Define Government Budget.

(c) What is Public Debt?

10. Answer any *one* of the following questions :   10

(a) Discuss Ricardian Equivalence theory.

(b) Write short notes on the following :

5+5=10

(i) Government Budget Constraint

(ii) Burden of internal and external debt

★ ★ ★