2023/TDC (CBCS)/EVEN/SEM/ ECOHCC–402T/157

TDC (CBCS) Even Semester Exam., 2023

ECONOMICS

(Honours)

(4th Semester)

Course No. : ECOHCC–402T

(Intermediate Macroeconomics—II)

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* of the following questions : 2×10=20

1. What is meant by 'Golden Rule' in economic growth models?

2. Write down two important elements of endogenous growth.

3. How can technological progress promote economic growth?

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(2)

4. Briefly state the Keynesian psychological law of consumption.

5. What will happen to equilibrium in intertemporal choice if the rate of interest increases?

6. Write shortly about Fisher's intertemporal model of consumption.

7. What are the main two factors that influence residential investment?

8. Give two examples of fixed investment in business.

9. Distinguish between fixed investment and inventory investment.

10. What did Keynes mean by 'liquidity preference'?

11. State any two assumptions of Baumol theory of demand for money.

12. Which factors determine the demand for money according to Friedman?

13. Write any two limitations of classical theory of consumption.

(3)

14. What are the two policy implications of new Keynesian economics?

15. Give two effects of an increase in money supply according to new classical theory.

SECTION—B

Answer any *five* of the following questions : 10×5=50

16. Describe the Harrod-Domar growth model. Also show how relevant is the Harrod-Domar model in the developing countries like India.
7+3=10

17. Bring out some of the assumptions of Solow's model of economic growth. Also critically explain the implications of this model.   3+7=10

18. Give two factors that affects the life cycle hypothesis. Also evaluate the hypothesis along with some drawbacks.   2+8=10

19. Explain how the permanent income hypothesis predicts about people's consumption behaviour. State any two limitations of this theory.   8+2=10

20. What do you mean by business fixed investment? Discuss in detail the various determinants of this investment.   2+8=10

21. Write short notes on *(a)* residential investment and *(b)* inventory investment.

22. Analyse the three important reasons why people demand money in Keynesian model. Briefly explain the model with some drawbacks. 3+7=10

23. Explain how Friedman's theory of demand for money differs from Baumol's theory of demand for money.

24. Compare and contrast the classical and Keynesian approaches.

25. Bring out the similarities and differences between neo-classical and new Keynesian economics.

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