

PG Even Semester (CBCS) Exam., May—2017

ECONOMICS

(2nd Semester)

Course No. : EC-202 (C)

(Macroeconomic Analysis—II)

Full Marks : 75

Pass Marks : 30

Time : 3 hours

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

Answer **five** questions, selecting **one** from each Unit

UNIT—I

1. Define cost-push inflation. Compare and contrast between classical and monetarist approach to cost-push inflation. 5+10=15
2. What is Phillips curve? Contrast between short-term and long-term Phillips curves with the help of diagram. Discuss the recent improvements. 5+6+4=15

UNIT—II

3. Distinguish between nominal money and high-powered money. Distinguish between cash reserve ratio and minimum legal reserve ratio. What is the role of these ratios in money supply creation? Elaborate. 5+5+5=15

4. What are final goals of a monetary policy? What are intermediate targets of a monetary policy? In the case of supply stocks in a macroeconomy, which intermediate target should be preferred and why? 4+4+7=15

UNIT—III

5. What is an open macroeconomy equilibrium? What are the shapes of IS and LM curves? Discuss with appropriate diagrams. 7+8=15
6. What is the meaning of balance of payments? What is the relation between foreign exchange rate and balance of payments? Discuss with diagrams. 7+8=15

UNIT—IV

7. Define business cycle. What is the role of multiplier and accelerator in causing business cycles? Can the interactions between multiplier and accelerator be the effective cause behind oscillations in economic activities in a macroeconomy? Elaborate. 5+5+5=15
8. What are the main features of a political business cycle theory? What are the main features of a real business cycle theory? Elaborate in detail. 7+8=15

(3)

UNIT—V

9. Compare and contrast the salient features of Harrod-Domar model and neoclassical model of economic growth. 15
10. Write short notes on the following : 7+8=15
- (a) Growth accounting and Solow residual
 - (b) Golden rule of capital accumulation
