

UNIT - III

5. (a) Why does the balance of payments equilibrium curve (BP) slope upwards? Explain graphically. 5
- (b) "As point above the BP curve shows BOP surplus and a point below it shows BOP deficit". Explain graphically. 5
- (c) Distinguish between perfect capital mobility and imperfect capital mobility. 4
6. Discuss the Mundell-Flemming model. Highlight the relative effectiveness of monetary policy and fiscal policy under perfect capital mobility and flexible exchange rate. 14

UNIT - IV

7. Critically discuss the neoclassical model of economic growth. 14
8. Write notes on the followig : 7+7=14
- (a) Warranted growth rate
- (b) Solow residual

UNIT - V

9. Define business cycle. Elaborate its features through a diagram. What are its impacts on the macroeconomy? 2+4+8=14
10. Elaborate the Samuelsonian multiplier-accelerator interaction model of business cycle. 14

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PG EVEN SEMESTER EXAMINATION, 2023**ECONOMICS**

2nd Semester

Course No. : ECO - 552

(Macroeconomic Analysis - II)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions
(Answer any five, selecting one from each unit)

UNIT - I

1. Define inflation. Discuss the differences and contrasts between the demand-pull and cost-push inflation, using standard theoretical approaches. 2+12=14
2. Analyse the main features of short-run and long-run Phillips curve. Elaborate diagrammatically. 14

UNIT - II

3. Differentiate between nominal money supply and high powered money. Describe the money creation mechanism through banking system in a macroeconomy. 5+9=14
4. In case of demand-shocks, which targeting is better and effective -- money stock or interest targetting, and why? Elaborate. 14

(Turn Over)