

TDC (CBCS) Even Semester Exam., 2019

ECONOMICS

(2nd Semester)

Course No. : ECOHCC-201T

(Introductory Macroeconomics)

*Full Marks : 70**Pass Marks : 28**Time : 3 hours**The figures in the margin indicate full marks
for the questions*Answer **all** questions

UNIT—I

1. Answer any *two* of the following : $2 \times 2 = 4$
- (a) What is circular flow of income?
- (b) Mention two limitations of macro-economics.
- (c) State two points of importance of studies of national income accounts.
2. Answer *either (a) or (b)* from the following : 10
- (a) (i) Distinguish between macro-economics and microeconomics. 4
- (ii) Discuss in brief the scope of macroeconomics. 6

- (b) (i) Make a distinction between GDP and GNP at market price. 3
- (ii) What is national income? Explain the value-added approach of estimation of national income. $2+5=7$

UNIT—II

3. Answer any *two* of the following : $2 \times 2 = 4$
- (a) What are meant by money and near-money?
- (b) Distinguish between the crude and sophisticated versions of the quantity theory of money.
- (c) Give two assumptions of liquidity preference theory of interest.
4. Answer *either (a) or (b)* from the following : 10
- (a) (i) Explain the process of multiple expansion of deposits by a commercial bank. 5
- (ii) What are the limits to the process of credit creation by commercial banks? 5
- (b) What are the main instruments of monetary policy? Assess the effectiveness of monetary policy to tackle inflation. $5+5=10$

UNIT—III

5. Answer any *two* of the following : $2 \times 2 = 4$
- (a) Distinguish between creeping inflation and galloping inflation.
 - (b) State two causes of inflation.
 - (c) What is inflationary gap?
6. Answer *either (a) or (b)* from the following : 10
- (a) Examine the effects of inflation. How can inflation be controlled? $5 + 5 = 10$
 - (b) Explain clearly the following with the help of diagram : $5 + 5 = 10$
 - (i) Demand-pull inflation
 - (ii) Cost-push inflation

UNIT—IV

7. Answer any *two* of the following : $2 \times 2 = 4$
- (a) Give two reasons behind the use of IS-LM tool in macroeconomic analysis.
 - (b) What is fiscal policy?
 - (c) State two Keynesian arguments against monetary rule.
8. Answer *either (a) or (b)* from the following : 10
- (a) (i) Compare and contrast the classical and the Keynesian models of income determination. 5
 - (ii) Explain the impact of changes in money supply in the Keynesian systems. 5

- (b) Examine the Keynesian view on effectiveness of—
 - (i) monetary policy;
 - (ii) fiscal policy. $5 + 5 = 10$

UNIT—V

9. Answer any *two* of the following : $2 \times 2 = 4$
- (a) What are BoP deficit and surplus?
 - (b) Distinguish between balance of trade and balance of payments.
 - (c) Mention two causes of disequilibrium in balance of payments.
10. Answer *either (a) or (b)* from the following : 10
- (a) Make a clear distinction between the following : $5 + 5 = 10$
 - (i) Balance of current account and Balance of capital account
 - (ii) Autonomous transactions and Accommodating transactions
 - (b) What are the different types of disequilibrium in the balance of payments? How can the balance of payments' disequilibrium be corrected? $4 + 6 = 10$