

TDC Even Semester Exam., 2019

ECONOMICS

(Pass)

(4th Semester)

Course No. : ECOP-401

(**Macroeconomics—II**)

Full Marks : 50

Pass Marks : 17

Time : 2 hours

The figures in the margin indicate full marks for the questions

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

UNIT—I

1. (a) What is commercial bank? 2
- (b) Mention the importance of commercial banks for economic development. 4
- (c) Explain briefly the functions of a commercial bank. 4

2. (a) What are the objectives of RBI? 5
- (b) Distinguish between commercial bank and central bank. 5

UNIT—II

3. (a) Define inflation. 2
- (b) Distinguish between demand-pull inflation and cost-push inflation. 4
- (c) Why is it difficult to separate the one from the other? 4
4. Discuss the effects of inflation on production and distribution. 5+5=10

UNIT—III

5. Explain various objectives and functions of IBRD. 5+5=10
6. (a) What is free trade? 2
- (b) Discuss the arguments for and against free trade. 4+4=8

UNIT—IV

7. (a) What is balance of payments? 2
(b) What is meant by disequilibrium in the BOP? 4
(c) Distinguish between BOP and BOT. 4
8. (a) What is the rate of exchange? 2
(b) Discuss the merits and demerits of flexible exchange rate. 4+4=8

UNIT—V

9. (a) What is progressive taxation? 2
(b) Write any four merits and any four demerits of progressive taxation. 4+4=8
10. (a) What is public debt? 2
(b) Explain the role of public debt in the context of economic development. 8

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