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UNIT—II

PG Even Semester (CBCS) Exam., May—2018

ECONOMICS

(2nd Semester)

Course No. : ECOCC-202

(Macroeconomic Analysis—II)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

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

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

UNIT—I

1. What is demand-pull inflation? How does the classical approach explain it? Discuss with diagrams. 4+10=14
2. What are the improvements made to the original Phillips curve? How are the shape and slope of short-run Phillips curve different from long-run Phillips curve? Discuss diagrammatically with sound arguments. 7+7=14

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(Turn Over)

3. (a) How is nominal money different from high-powered money? 4
- (b) What is the relation between nominal money supply and currency ratio? 5
- (c) What is money multiplier? What is its role? Elaborate. 5
4. Distinguish between demand and supply shocks in macroeconomy. When is interest rate targeting by a central bank more effective in bringing back the macroeconomy to original equilibrium? Elaborate with the help of a diagram. 4+10=14

UNIT—III

5. (a) Distinguish between perfect capital mobility and imperfect capital mobility. 4
- (b) Elucidate the effectiveness of macroeconomic policies for an economy operating under imperfect capital mobility with flexible exchange rate. 10
6. (a) How does exchange rate affect net exports position of a country? 2
- (b) How is balance of payments of a country related to its money supply? Discuss in the light of the monetarists' approach to balance of payments. 12

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(Continued)

UNIT—IV

7. What do you mean by ‘super-multiplier’? How does interaction between multiplier and accelerator cause trade cycles? Explain. 2+12=14
8. (a) What do you mean by ‘real shocks’ in macroeconomy? What are its sources? 2+2=4
- (b) Discuss the real business cycle theory. 10

UNIT—V

9. (a) What are the properties of warranted growth rate? Explain. 6
- (b) How does investment act as a ‘double-edged sword’ in the process of economic growth? Elaborate in the light of Domar’s model. 8
10. (a) How is endogenous growth model different from the neo-classical growth model? 5
- (b) What are the contesting views on economic convergence? Discuss. 9

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