2 0 1 9

PG Even Semester (CBCS) Exam., May—2019

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 the difference between demand-pull and cost-push inflations? How does the monetarist approach explain the cost-push inflation? Elaborate. 5+9=14

2. What is a short-run Phillips curve? Show diagrammatically the difference between short-run and long-run Phillips curves with explanation. 4+10=14

(2)

UNIT—II

3. Define high-powered money. Define nominal money supply. What is the role of money multiplier in money supply creation? Discuss. 3+3+8=14

4. Distinguish between demand shocks and supply shocks in a macroeconomy. In which case is the interest rate targeting by a central bank effective in controlling instability? Discuss. 6+8=14

UNIT—III

5. *(a)* What is the meaning of balance of payments (BOP) equilibrium? Explain the shape of BOP equilibrium curve. 2+5=7

   (b) How does IS curve of an open economy differ from that of a closed economy? Discuss. 7

6. *(a)* Differentiate the Mundell-Fleming model from the Keynesian open economy model. Elaborate. 4

   (b) Discuss the relative effectiveness of macroeconomic policies in case of imperfect capital mobility with fixed exchange rate. 10

(**3**)

UNIT—IV

7. Discuss the multiplier-accelarator interaction model of business cycle. Elaborate with diagram. 14

8. Discuss the main features of real business cycle theory. How is it different from other models? Elaborate. 6+8=14

UNIT—V

9. *(a)* Write short notes on warranted growth rate and natural growth rate. 4

(b) Discuss the neo-classical growth model. How does it differ from Harrod-Domar model? Elaborate. 10

10. Critically discuss the endogenous growth model. 14

★ ★ ★