

PG Odd Semester (CBCS) Exam., December—2018

ECONOMICS

( 1st Semester )

Course No. : ECOCC-102

( Macroeconomic Analysis—I )

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 are the principal features of Keynesian macroeconomics? Elaborate. 14
- 2. Compare and contrast between classical and Keynesian approaches for determination of income and employment. 14

UNIT—II

- 3. Show how an economy attains macroeconomic equilibrium with the help of AD-AS model. 14

- 4. Why does the aggregate demand (AD) curve slope downward? What factors cause shifts in the AD curve? How do shifts in the AD curve affect macroeconomic equilibrium? 3+4+7 = 14

UNIT—III

- 5. Discuss the life cycle hypothesis of consumption. How does it differ from Keynesian consumption hypothesis? 10+4=14
- 6. Critically discuss the permanent income hypothesis of consumption. 14

UNIT—IV

- 7. Critically discuss the acceleration principle of investment. 14
- 8. What do you mean by investment multiplier? Discuss the role of investment multiplier in the expansion of income. 4+10=14

UNIT—V

- 9. How does an investor manage risk of his portfolio? Discuss in the light of Tobin's theory of demand for money. 14
- 10. Discuss Patinkin's theory of demand for money emphasizing on the role of 'real balance effect'. 14

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