No. of Printed Pages—2

47B (MAC1)

[17-HDGKACRM-M1]

MA 1st Semester Exam., 2017

ECONOMICS

[MEC-02]

(Macroeconomics—I)

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* from the following questions (each within *50* words) : 2×5=10

(a) Define Duesenberry's relative income hypothesis.

(b) Define suppressed inflation.

(c) Why are transfer payments not included in national income?

(d) What does mixed income refer to?

(e) State Say's law of market.

(f) Distinguish between investment and capital stock.

2. Answer any *three* from the following questions (each within *150* words) : 4×3=12

(a) Discuss the concept of marginal propensity to consume.

(b) Why does demand for money arise, according to Keynes?

(c) Discuss the role of monetary policy in controlling inflation.

(d) Why did Keynes criticise the classical theory of employment?

(Turn Over)

3. Answer any *three* from the following questions (each within *250* words) : 6×3=18

(a) How does the neo-classicist define rate of interest? Was the view of the neo-classical economists an improvement over the classical economists? Discuss. 4+2=6

(b) Why was the acceleration principle criticised?

(c) Discuss Keynes' views on transaction demand for money and rate of interest.

(d) "The multiplier theory is not pump priming." Discuss the statement in light with the concept of Keynesian multiplier.

4. Answer any *four* from the following questions (each within *500* words) : 10×4=40

(a) Explain the life cycle hypothesis with the help of appropriate figure.

(b) Briefly discuss the concept of social accounting. Explain circular flow of national income in a two-sector economy with the help of an appropriate figure. 4+6=10

(c) Distinguish between personal income and disposable income. Discuss the interrelation among GDP, NDP, GNP and NNP. 3+7=10

(d) Explain the two-sector model of national income determination in the Keynesian framework.

(e) Write short notes on the following : 5+5=10

(i) Marginal efficiency of investment

(ii) Demand-pull inflation

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