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47 B-N (MAC1)

[22-HKPD1SN-23A]

M.A 1st Semester (New) Exam. 2022 (W)

ECONOMICS

(*Macroeconomics-I*)

[PGEC S1-02]

Full Marks : 70/80

Time : 3 hours

The figures in the right-hand margin indicate marks.

[Learners admitted in and after 2020 need to answer only Q.No. 1 to Q.No. 4 (total 70 marks)]

1. Answer any *five* from the following questions (each in around 50 words) : $2 \times 5 = 10$

(*a*) State the definition of capital consumption allowance.

(*b*) What does a transaction matrix exhibit ?

(*c*) What aggregate demand imply ?

(*d*) Define marginal efficiency of capital.

(*e*) State two basic differences between absolute and relative income hypothesis.

(*f*) Give the definition of investment as given by Stonier and Hague.

2. Answer any *four* from the following questions (each in around 120 words) : $3 \times 4 = 12$

(*a*) Write a short note on consumption puzzle.

(*b*) Explain the different leakages of investment multiplier.

(*c*) State the relevance of accelerator principle in policy intervention.

(*d*) Briefly discuss the concept of balanced budget multiplier.

(*e*) Explain the impact of increase in the supply of money according to the quantity theory of money.

3. Answer any *four* from the following questions (each in around 250 words) : $6 \times 4 = 24$

(*a*) Explain the Keynesian approach of determination of equilibrium rate of interest with suitable diagram.

(*b*) Make a comparative analysis on neo-classical and Keynesian views on interest.

(*c*) 'Under flexible exchange rates, monetary policy is highly effective and fiscal policy is ineffective in changing output.' Explain.

(*d*) Distinguish between personal income and disposable income. State the definition of NNP at factor cost and market prices. 3+3 = 6

(*e*) Discuss the balance of payments accounts with a hypothetical example.

4. Answer any *three* from the following questions (each in around 300 words) : $8 \times 3 = 24$

(*a*) How the equilibrium rate of employment is determined in the classical theory ?

(*b*) Explain the concept of transitory income, transitory expenditure and transitory purchase. Provide two criticism of permanent income hypothesis. 6+2 = 8

(*c*) Explain the relation between investment and rate of interest with appropriate equations and schedule.

(*d*) Discuss various long run and short run factors affecting MEC (marginal efficiency of capital).

(Q. No. 5 is only for learners admitted before 2020)

5. Answer any *one* from the following questions (in around 350 words) : $10 \times 1 = 10$

(*a*) Describe the process of multiplier-accelerator interaction with the help of appropriate examples.

(*b*) Explain the quantity theory of money. How does it explain inflation in an economy.

$6+4 = 10$