2020

ECONOMICS (Honours)

Paper : ECOH - DC-6

(Intermediate Macroeconomics-I)

(CBCS)

Full Marks : 32 Time : Two Hours

The figures in the margin indicate full marks.
Candidates are required to give their answers
in their own words as far as practicable.

Group - A

Answer any *four* questions. 2×4=8

1. What is balanced budget multiplier ?

2. What is the shape of the LM curve when the economy is in the liquidity trap?

3. What is the difference between Classical and Keynesian model with respect to labour supply function ?

4. What is inflationary gap ?

5. State the factors for which slope of the IS curve depends.

6. What is the shape of aggregate supply curve under classical model ?

Group - B

Answer any *four* questions. 4×4=16

7. Why monetary policy is ineffective in the liquidity trap?

8. Briefly explain the shape of long run Phillips curve.

9. Define Rational Expectation.

10. Explain the effect of a fall in the marginal propensity to consume on equilibrium level of income with the help of IS-LM framework.

11. Explain the concept of 'Paradox of Thrift'.

12. Write a short note on 'Real Balance Effect'.

13. What is 'Crowding out' Effect ?

14. States the assumptions of Mundell-Fleming model of open economy macroeconomics.

Group - C

Answer any *one* question. 8×1=8

15. Briefly explain the classical dichotomy. What is homogeneity postulate? 5+3

16. How the aggregate demand curve can be derived from IS-LM model. State the factors on which slope of aggregate demand curve depends. 6+2