

**TDC (CBCS) Odd Semester Exam., 2023**

**ECONOMICS**  
**( 3rd Semester )**

Course No. : ECODSC/GE-301T

**( Principles of Macroeconomics—I )**

Full Marks : 70  
Pass Marks : 28

*Time : 3 hours*

*The figures in the margin indicate full marks  
for the questions*

**SECTION—A**

Answer *twenty* questions, selecting any *four* from  
each Unit : 1×20=20

**UNIT—I**

1. What are called macroeconomic variables?
2. Define flow.

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3. Write two examples of stock.
4. Point out one distinction between stock and flow.
5. Mention two examples of leakages.

UNIT—II

6. Define  $NDP_{MP}$ .
7. What is called depreciation reserve fund?
8. Define factor income.
9. What is meant by transfer payment?
10. How to convert  $GNP_{MP}$  and  $NNP_{MP}$ ?

UNIT—III

11. Define average propensity to consume.
12. How are MPC and MPS related?
13. Can saving be negative?

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( Continued )

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14. Write the value of multiplier when MPC is zero.
15. What is called autonomous consumption?

UNIT—IV

16. What is balanced budget?
17. Is government expenditure an injection into the economy?
18. Define an open economy.
19. Cite two examples of indirect tax.
20. Can net exports be negative?

UNIT—V

21. Define money.
22. What is speculative demand for money?
23. Point out one criticism of liquidity preference theory.

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( Turn Over )

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24. Define money multiplier.
25. What happens to supply of money if high powered money increases in an economy?

SECTION—B

Answer *five* questions, selecting *one* from each  
Unit : 2×5=10

UNIT—I

26. Write two utilities of studying circular flow models.
27. What are injections? Give two examples of injections.

UNIT—II

28. Distinguish between national income and domestic income.
29. Can real national income be greater than nominal national income? Give reasons.

UNIT—III

30. Prove that  $APC + APS = 1$ .
31. Point out two features of output multiplier.

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( Continued )

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UNIT—IV

32. What is an export function?
33. Point out two objectives of a fiscal policy.

UNIT—V

34. Name two qualitative instruments of monetary policy.
35. Write two primary functions of money.

SECTION—C

Answer *five* questions, selecting *one* from each  
Unit : 8×5=40

UNIT—I

36. Discuss the nature and scope of macroeconomics.
37. Explain the working of circular flow model in a three-sector economy.

UNIT—II

38. (a) Explain the value-added method of estimating national income.
- (b) Point out the precautions required to be taken in estimating national income by value-added method. 5+3=8

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( Turn Over )

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39. (a) Explain the problem of double counting with the help of an example.
- (b) Given the following information, calculate  $GDP_{FC}$  :
- (i)  $NNP_{MP} = ₹ 33,650$
  - (ii)  $NFIA = ₹ 250$
  - (iii) Consumption of fixed capital = ₹ 1,030
  - (iv) Indirect taxes = ₹ 600
  - (v) Subsidies = ₹ 300
- 4+4=8

## UNIT—III

40. Explain saving function with the help of a schedule and diagram.
41. (a) Distinguish between induced investment and autonomous investment.
- (b) Find  $S$ , when  $\bar{C} = ₹ 200$ ,  $MPS = 0.4$  and  $Y = ₹ 1,000$ .
- 4+4=8

## UNIT—IV

42. Discuss the main instruments of fiscal policy in economic stabilization.
43. Examine the problems and limitations of fiscal policy.

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## UNIT—V

44. Write an essay on the significance of money in a modern economy.
45. Critically explain the quantity theory of money.

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