2024/TDC (CBCS)/EVEN/SEM/ ECODSC/GEC–401T/275

TDC (CBCS) Even Semester Exam., 2024

ECONOMICS

(4th Semester)

Course No. : ECODSC/GEC–401T

(**Principles of Macroeconomics—II**)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

The figures in the margin indicate full marks for the questions

UNIT—I

1. Answer any *four* from the following questions :   1×4=4

   (a) What are the components of aggregate demand?

   (b) Which market does LM curve represent?

   (c) How do you derive the IS curve?

(*Turn Over*)

(2)

(d) What kind of impact would an autonomous increase in money demand have on the IS curve?

(e) In an IS-LM framework, what does a point to the left and below the IS curve indicate?

2. Answer any *one* from the following questions :　　　　　　　2

(a) Mention any two factors behind a shift in IS curve.

(b) Why do we consider IS-LM framework as a general equilibrium analysis?

3. Answer any *one* from the following questions :　　　　　　　8

(a) Show how the equilibrium of both product and money market is attained simultaneously under IS-LM analysis.

(b) What are the factors responsible for change in aggregate demand? Explain how a shift in IS curve can impact aggregate demand curve.　　4+4=8

24J/878　　　　　　　(Continued)

(3)

UNIT—II

4. Answer any *four* from the following as directed :　　　　　　1×4=4

(a) Define multiplier.

(b) If the value of MPS is 0·4, what will be the value of multiplier?

(c) What does the aggregate demand curve show?

(d) Does a change in price level impact aggregate supply curve in the long run?

(e) Increases in productivity would impact long-run aggregate demand/aggregate supply. (Choose the correct answer)

5. Answer any *one* from the following questions :　　　　　　2

(a) What happens to the multiplier value if there is an increase in aggregate demand?

(b) How would you differentiate a short-run aggregate supply from a long-run aggregate supply?

24J/878　　　　　　　(Turn Over)

(4)

6. Answer any *one* from the following questions : 8

(a) Explain the role of AD in the multiplier process of income generation of a country.

(b) Illustrate the derivation of aggregate supply curve under both short run and long run.

UNIT—III

7. Answer any *four* from the following questions : 1×4=4

(a) Define stagflation.

(b) What does a Phillips curve depict?

(c) Name one policy which is used to control inflation.

(d) What do you mean by frictional unemployment?

(e) Point out any one factor responsible for rise in price level in India.

(5)

8. Answer any *one* from the following questions : 2

(a) Name any two factors responsible for demand-pull inflation.

(b) How does inflation affect unemployment?

9. Answer any *one* from the following questions : 8

(a) Define inflation. What are the determinants of inflation? 2+6=8

(b) Explain briefly the various types of unemployment prevailing in the modern era.

UNIT—IV

10. Answer any *four* from the following questions : 1×4=4

(a) Define balance of payments.

(b) Is BOT related to BOP?

(c) What is a fixed exchange rate?

(d) Can a BOP be positive?

(e) Which exchange rate system prevails in India?

11. Answer any *one* from the following questions :　　　　　　　　　　2

(a) What are the components of Capital Account of BOP?

(b) Distinguish between fixed and flexible exchange rates.

12. Answer any *one* from the following questions :　　　　　　　　　　8

(a) Distinguish between BOP surplus and BOP deficit. How can BOP disequilibrium be corrected?　4+4=8

(b) How many exchange rate types do you find in the foreign exchange market? Briefly discuss the determination of exchange rate in the spot market.　2+6=8

UNIT—V

13. Answer any *four* from the following questions :　　　　　　　　1×4=4

(a) How do you find out comparative advantage?

(b) Define terms of trade.

(c) Name one source of comparative advantage for a country.

(d) Mention any two types of trade barriers.

(e) Write one advantage of protection.

14. Answer any *one* from the following questions :　　　　　　　　　　2

(a) Justify the statement, "Comparative advantage theory is superior to the absolute advantage theory".

(b) Distinguish between free trade and protection.

15. Answer any *one* from the following questions :　　　　　　　　　　8

(a) Critically discuss the comparative advantage theory of international trade.

(b) Mention four arguments for and against of free trade.　4+4=8

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