

**2023/TDC(CBCS)/EVEN/SEM/  
ECODSC/GE-401T/159**

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

**ECONOMICS**

**( 4th Semester )**

Course No. : ECODSC/GE-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*

**SECTION—A**

Answer any *twenty* of the following as directed :

1×20=20

1. Define aggregate demand.
2. Write down the equation of IS curve.
3. Which factor determines the slope of IS curve?
4. How is LM curve derived?

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5. What will happen to the LM curve when investment is increased?
6. Define MPC.
7. What will happen to AD curve when there is an increase in price level?
8. Which factors increase aggregate supply?
9. What is the relation between multiplier and aggregate demand?
10. Does GDP increase price level?  
( Write Yes or No )
11. Define inflation.
12. Which policy is used to control inflation?
13. What is the main cause of inflation in India?
14. What is the relation between inflation and unemployment?
15. What said, "Inflation is taxation without legislation"?
16. Define foreign exchange rate.

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17. What is 'balance of trade'?
18. Why is the balance of payments always zero?
19. What are the types of exchange rate?
20. Which exchange rate system is used by India?
21. How is absolute advantage determined?
22. Who is the father of Comparative Advantage Theory?
23. Who are the beneficiaries of free trade?
24. Define protection.
25. Mention the name of any two types of trade-barriers.

SECTION—B

Answer any *five* of the following questions :

2×5=10

26. Write down the formulae for IS and LM curves.
27. How does the LM curve shift?

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28. What happens to the price level and GDP in the long-run?
29. Mention the difference between short-run aggregate supply and long-run aggregate supply curve.
30. How does inflation affect unemployment?
31. What are the determinants of inflation?
32. What are the components of BOP?
33. What is the difference between Current Account and Capital Account?
34. Define the terms of trade.
35. Mention any two advantages of comparative advantage theory.

## SECTION—C

Answer any *five* of the following questions :

8×5=40

36. How is aggregate demand curve derived from the IS-LM model? Explain.
37. Explain the derivation of IS and LM functions with the help of suitable diagram.

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( Continued )

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38. Using the aggregate demand-aggregate supply model, explain and demonstrate graphically the short-run and long-run effects of an increase in the money supply.
39. Explain multiplier analysis with aggregate demand curve.
40. Explain Phillip's curve analysis in both short-run and long-run.
41. What are the determinants of the rate of inflation? Explain.
42. Explain the determination of exchange rate with the help of suitable diagram.
43. Explain the structure of the current account in the balance of payments.
44. Critically explain absolute advantage theory of international trade.
45. Write notes on the following : 4+4=8
  - (a) Terms of trade
  - (b) Sources of comparative advantage

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