

2021

ECONOMICS-II — HONOURS

Paper : C-21-A

Full Marks : 50

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

1. Answer the following questions :

2×4

- (a) Mention any two scope of Macroeconomics.
- (b) What is the difference between stock and flow?

Or,

What is the difference between nominal GDP and real GDP?

- (c) Write any two features of Keynesian consumption function.
- (d) Name the different methods of measurement of national income.

Or,

What is the difference between NNP at market price and NNP at factor cost?

Group - B

2. Answer the following questions :

- (a) Show with the help of a diagram how equilibrium income is determined in simple Keynesian model.

6

Or,

If $C = 200 + 0.8Y$, $I = 150$, $G = 50$, find the equilibrium level of income and consumption. Here, C is consumption, Y is level of income, I denotes investment, G is government expenditure and all items are in rupees.

6

- (b) What is LM curve? How is it derived? 2+4
- (c) Discuss briefly the circular flow of income in a two sector model. 6
- (d) Write a short note on crowding-out-effect. 6

Or,

Discuss in the context of IS-LM model the effectiveness of fiscal policy on equilibrium level of income. 6

Please Turn Over

(e) Explain the Keynesian theory of demand for money. 6

Or,

What are the different measures of money supply? 6

Group - C

3. Explain the concept of inflation. Mention the limitations of different policies in controlling inflation. 4+8

Or,

What are the effects of inflation? Do you think that inflation is helpful for the fixed income people. 10+2
