

D11

18 NOV 2014

III/ECO (iii)

2014

(3rd Semester)

ECONOMICS

THIRD PAPER

(Macroeconomics—I)

Full Marks : 75

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

Answer all questions

- 1. What are the methods of measuring national income? Briefly explain them. 10

Or

What is national income identity? Explain national income identity with government and international trade. 2+8=10

2. Explain the Keynesian theory of employment in terms of the principle of effective demand. 10

Or

Discuss the classical theory of employment.

3. Distinguish between APC and MPC. What are the factors influencing consumption in an economy? 4+6=10

Or

Expound the Dussenberry's relative income hypothesis. 10

4. Define marginal efficiency of capital (MEC). What are the factors influencing MEC? 3+7=10

Or

"Whereas export saving and export investment are always equal, ex-ante saving and ex-ante investment are equal only in equilibrium." Explain.

5. Explain the loanable funds theory of interest rate determination. 10

Or

Examine Keynes' liquidity preference theory of interest rate determination.

2014

(3rd Semester)

ECONOMICS

THIRD PAPER

(Macroeconomics—I)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

SECTION—A

(Marks : 10)

Tick the correct answer in the brackets provided : 1×10=10

1. The market value of goods and services produced by the residents in the country plus incomes earned locally by the foreigners minus incomes received by the nationals from abroad is called

(a) GDP

(b) NNP

(c) GNP

2. The GNP estimated at constant prices in a chosen or base year is called

(a) nominal income

(b) real income

(c) current income

3. The classical theory is basically a supply-oriented and assumed full employment with

(a) short-run analysis

(b) medium-term analysis

(c) long-run analysis

4. Keynesian theory of employment assumes

(a) full-employment equilibrium

(b) cyclical unemployment equilibrium

(c) underemployment equilibrium

(4)

8. Investment refers to the addition to the physical stock of capital and it is

- (a) a stock concept
- (b) a flow concept
- (c) an accumulation concept

9. The classical theory of interest rate is regarded as

- (a) real interest rate theory
- (b) monetary interest rate theory
- (c) loanable funds interest rate theory

10. Demand for money arises because of three motives, they are

- (a) transaction motive, precautionary motive and speculative motive
- (b) business motive, consumption motive and purchase motive
- (c) saving motive, consumption motive and bank deposit motive

(5)

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

1. Green accounting

Govt. J. Thankima College

2. Say's law of markets

(Marks: 15)

Write short notes on the following:

(a) a flow concept I. Green accounting

(b) an accumulation concept

9. The financial theory of interest is based on

(a) real interest rate theory

(b) monetary interest theory

(c) classical interest rate theory

10. Demand for money arises because of three motives

(a) transaction motive, precautionary motive and speculative motive

(b) business motive, hedged motive and purchase motive

(c) saving motive, company motive and investment motive

Govt. J. Thankima College

(7)

3. Keynesian theory of absolute income

Govt. J. Thankima College

(8)

4. Concept of present discounted value

Govt. J. Thankima College

5. Classical concept of intestate

18 NOV 2014

III/ECO (iii)

Intestate |

Intestate

[Page 10 of 10]

18 NOV 2014

Intestate

[Page 10 of 10]

Govt. J. Thankima College
