

2017

(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*

1. (a) Explain the concept and components of national income. 10

Or

- (b) Define National Income. Discuss the methods of measuring national income. 2+8=10

2. (a) "Supply creates its own demand."
Critically discuss the statement. 10

8G/105a

(Turn Over)

Or

(b) Explain how Keynes criticized classical theory of employment. 10

3. (a) What is meant by consumption function? Explain the factors that determine propensity to consume of the community. 3+7=10

Or

(b) Discuss the Duesenberry's relative income hypothesis. 10

4. (a) Explain the concept of investment multiplier. Briefly state its effectiveness in LDCs. 7+3=10

Or

(b) What is marginal efficiency of capital? What are the factors influencing marginal efficiency of capital? 3+7=10

5. (a) Critically discuss how interest is determined according to classical theory. 10

Or

(b) Discuss Keynesian theory of interest. 10

2017

(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 box provided : $1 \times 10 = 10$

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

(a) nominal income (b) real income (c) current income

2. National income is a

- (a) stock concept
- (b) flow concept
- (c) None of the above

3. MPC is generally

- (a) $MPC = 1$
- (b) $MPC > 1$
- (c) $MPC < 1$

4. 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

5. According to Keynes, consumption increases less proportionately than income when income

(a) decreases

(b) increases

(c) remains constant

6. Multiplier (k) is the reciprocal of

(a) $1 - MPC$

(b) $1 - MPS$

(c) $1 + MPS$

7. Saving is equal to

(a) Income + Consumption

(b) Income - Consumption

(c) Consumption + Investment

8. The marginal efficiency of capital curve is

- (a) a horizontal line
- (b) a vertical line
- (c) a downward sloping curve

9. When investment is greater than savings, it implies

- (a) higher income
- (b) lower income
- (c) same amount of income

10. The classical theory of interest rate is regarded as

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

(5)

SECTION—B

(Marks : 15)

Write short notes on the following :

3×5=15

1. Green Accounting

Govt. J. Thankima College

2. Aggregate Demand

Govt. J.Thankima College

3. Marginal propensity to consume

ECONOMICS

THIRD YEAR

Govt. J. Thankima College

4. Induced Investment

Govt. J. Thankima College

5. Gross and Net Interest

Govt. J. Thankima College
