

IV/ECO (iv)

2014

(4th Semester)

ECONOMICS

FOURTH PAPER

(Macroeconomics—II)

Full Marks : 75

Time : 3 hours

(PART : B—DESCRIPTIVE)

(Marks : 50)

The figures in the margin indicate full marks for the questions

1. Define 'money'. Describe the various functions of money. 4+6=10

Or

Discuss Fisher's version of the quantity theory of money. 10

2. Define 'bank'. Discuss the functions of a Commercial Bank. 4+6=10

14G—1450/459a

(Turn Over)

(2)

Or

Describe the various instruments used by the Central Bank to control credit. 10

3. What do you mean by trade cycle? Describe its characteristics. 4+6=10

Or

Discuss the view that trade cycle is mainly due to fluctuation in the marginal efficiency of capital. 10

4. What are the causes of inflation? Distinguish between Cost-push inflation and Demand-pull inflation. 5+5=10

Or

Analyze the effects of inflation on various sectors of the economy. 10

5. Discuss the Harrod-Domar growth model. 10

Or

Discuss the relationship between Economic growth and Technical progress.

2014

(4th Semester)

ECONOMICS

FOURTH PAPER

(Macroeconomics—II)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

Answer all questions

SECTION—A

(Marks : 10)

Put a Tick (✓) mark against the correct answer in the brackets provided : 1×10=10

1. Value of money in Fisherian equation is determined by

- (a) demand for money ()
- (b) supply of money ()
- (c) demand and supply of money ()
- (d) None of the above ()

2. Value of money is

- (a) directly related to the price level ()
- (b) inversely related to the price level ()
- (c) proportionately related to the price level ()
- (d) All of the above ()

3. Which of the following is not a function of Commercial Banks?

- (a) Accepting of deposits ()
- (b) Creating credits ()
- (c) Printing bank notes ()
- (d) None of the above ()

4. Credit creation takes place when

- (a) a bank grants loan ()
- (b) depositor withdraws cash from bank ()
- (c) a cheque is issued against deposits ()
- (d) a bank accepts deposits ()

5. During the phases of recovery

- (a) aggregate demand remains constant ()
- (b) aggregate demand increases ()
- (c) aggregate demand decreases ()
- (d) aggregate demand = aggregate supply ()

6. According to Hayek's overinvestment theory of trade cycle, fluctuation of investment occurs when

- (a) natural rate of interest is not equal to market rate of interest ()
- (b) natural rate of interest is equal to market rate of interest ()
- (c) natural rate of interest is equal to rate of inflation ()
- (d) None of the above ()

7. According to Keynes, inflationary gap is caused by

- (a) excess supply ()
- (b) excess demand ()
- (c) deficiency of demand ()
- (d) deficiency of supply ()

8. An inflation caused by an enhanced wages of labour is
- (a) demand-pull inflation ()
 - (b) cost-push inflation ()
 - (c) hyperinflation ()
 - (d) stagflation ()
9. The neo-classical growth model assumes that capital and labour are subject to the law of
- (a) diminishing marginal returns to scale ()
 - (b) increasing marginal returns to scale ()
 - (c) constant returns to scale ()
 - (d) None of the above ()
10. Assuming that 3 units of capital are required to produce 1 unit of output, then capital-output ratio would be
- (a) 3 : 2 ()
 - (b) 3 : 1 ()
 - (c) 3 : 3 ()
 - (d) 3 : 4 ()

(5)

SECTION—B

(Marks : 15)

Write on/Answer the following questions :

3×5=15

1. Gresham's law

Govt. J. Thankima College

2. Meaning of derivative deposit

(Marks : 15)
Answer the following questions :

- (a) ...
- (b) ...

3. ...

- (a) ...
- (b) increasing ...
- (c) constant ...
- (d) None of the above

10. Assuming that 2 units of ... are required to produce 1 unit of ... the capital-output ratio would be

- (a) 2 : 1
- (b) 3 : 1
- (c) 3 : 2
- (d) 4 : 3

Govt. J. Thankima College

(7)

3. Explain Phillips curve. 4. Explain the prosperity phase.

Govt. J. Thankima College

(8)

4. Explain the prosperity phase of trade cycle.

Govt. J. Thankima College

5. Basic determinants of economic growth

IV/ECO (iv)

Govt. J. Thankima College