

ECO/IV/04

2017

(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*

UNIT—I

1. (a) Define money. Describe various functions of money. 2+8=10

Or

- (b) Discuss Fisher's quantity theory of money. 10

Signature of the
Candidate

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(2)

UNIT—II

2. (a) Discuss the process of credit creations by the commercial banks. 10
- Or
- (b) State and explain various qualitative methods of credit control which are generally adopted by the central bank. 10

UNIT—III

3. (a) Explain the nature and characteristics of trade cycle. Briefly describe the important measures to control trade cycle. 4+6=10
- Or
- (b) Critically discuss Hawtrey's monetary theory of trade cycle. 10

UNIT—IV

4. (a) Discuss various measures to control inflation in an economy. 10
- Or
- (b) Explain how Phillips curve relates unemployment and inflation in the economy. 10

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(Continued)

(3)

UNIT—V

5. (a) Discuss Harrod-Domar model of economic growth. 10
- Or
- (b) Discuss the relationship between economic growth and technical progress. 10

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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. Who states, "bad money drives good money out of circulation when both of them are full legal tender"?

(a) John Maynard Keynes ()

(b) Milton Friedman ()

(c) Thomas Gresham ()

2. Paper currency standard is also referred to as

- (a) managed currency standard ()
- (b) gold currency standard ()
- (c) silver currency standard ()

3. Which of the following is not a function of commercial banks?

- (a) Acceptance of deposits ()
- (b) Advancing of loans ()
- (c) Monopoly of issuing notes ()

4. Which of the following is a qualitative method of credit control of a central bank?

- (a) Bank rate ()
- (b) Open market operation ()
- (c) Rationing of credit ()

5. Over-investment theory of trade cycle is associated with

- (a) R. G. Hawtrey ()
- (b) F. A. Hayek ()
- (c) J. R. Hicks ()

6. During the phase of recession of a trade cycle

- (a) investment, income, employment and demand decline ()
- (b) investment falls but income rises ()
- (c) income, employment and investment rise ()

7. Which of the following refers to as a moderate degree of controlled inflation?

- (a) Deflation ()
- (b) Reflation ()
- (c) Stagflation ()

8. Which of the following is a monetary measure to control inflation in an economy?

- (a) Increase in money supply ()
- (b) Demonetization of currency ()
- (c) Increase in government expenditure ()

9. Technological progress helps

- (a) increase in overall productivity ()
- (b) economic growth ()
- (c) Both of the above ()

10. The technique of production in which the amount of capital used per unit of output is larger than that of labour is known as

- (a) capital-intensive technique ()
- (b) modern technique ()
- (c) scientific technique ()

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SECTION—B
(Marks : 15)

Write short notes on the following :

3×5=15

1. High-powered money

2. Open market operation

3. Concept of accelerator

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4. Cost-push inflation

5. Sources of economic growth

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