

CODING

SECTION-A

(OBJECTIVE)

Under Graduate Examination, May 2022

Semester: 4 [CBCS]
Subject Code: ECO/IV/EC/04
Subject: Economics [4th Paper]
Name of the Paper: Macroeconomics—II

Date of Examination: 25-05-2022

No. of Answer Sheet(s) Used : _____

Full Marks: 75 Time: 3 Hours

INSTRUCTIONS TO CANDIDATES

Please read the instructions carefully before you start writing your answers.

- 1. Questions should be attempted as per instructions.
- 2. Candidate should clearly indicate the Question Nos. and the Page No. for each sheet.
- 3. Please write your Roll No. and Registration No. clearly and correctly in the space provided.
- 4. Do not write your name or the name of your college/institution anywhere or anything else, which is not part of your answer.
- 5. Candidate should make sure that the answer sheets scanned should be legible.
- 6. The Invigilator on duty should confirm that the correct script is received, compiled and attached to the correct Cover Page.
- 7. Multiple Choice Answer should indicate the Question No., Sub. No., (if any) and the correct answer. For example—
 - 1. Name the state capital of Mizoram.
 - (a) Lunglei
 - (b) Champhai
 - (c) Aizawl
 - (d) Mamit

Candidate should provide answer as 1 (c) Aizawl

[Candidate should avoid writing only (c)]

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| SECTION-B (SHORT NOTE) | | | | | | | | | |
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| SECTION—C (DESCRIPTIVE) | | | | | | | | | |
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2022

(CBCS)

(4th Semester)

ECONOMICS

FOURTH PAPER

(Macroeconomics—II)

Full Marks: 75

Time: 3 hours

The figures in the margin indicate full marks for the questions

(SECTION : A—OBJECTIVE)

(*Marks* : 10)

Choose the correct answer from the options provided:

 $1 \times 10 = 10$

- 1. Paper money is called fiat money because
 - (a) it is issued with authority of government
 - (b) it is convertible into gold
 - (c) it can be easily printed
 - (d) it is light weight

- 2. Barter system means
 - (a) purchase and sale of commodity with commodity
 - (b) purchase of commodity with money
 - (c) sale of commodity with money
 - (d) All of the above
- 3. Derivative deposit in a commercial bank is also called
 - (a) active deposit
 - (b) passive deposit
 - (c) primary deposit
 - (d) None of the above
- 4. In a country, it is possible to have
 - (a) two central banks
 - (b) only one central bank
 - (c) three central banks
 - (d) many central banks
- 5. During the upswing of a trade cycle, the central bank of a country will
 - (a) lower the cash reserve ratio
 - (b) lower down the cash reserve ratio to the minimum
 - (c) raise the cash reserve ratio
 - (d) not change the cash reserve ratio
- **6.** Overinvestment theory of trade cycle is associated with
 - (a) R. G. Hawtrey
 - (b) F. A. Hayek
 - (c) J. R. Hicks
 - (d) J. M. Keynes

| 7 . | Which | of | the | following | is | a | monetary | measure | to | control | inflation | in | an |
|------------|--------|-----|-----|-----------|----|---|----------|---------|----|---------|-----------|----|----|
| | econon | ny? | | | | | | | | | | | |

- (a) Increase in money supply
- (b) Increase in repo rate
- (c) Increase in government expenditure
- (d) All of the above

8. The cost-push inflation is caused by an

- (a) increase in the aggregate demand for goods and services
- (b) increase in the demand for money
- (c) increase in the production costs
- (d) All of the above
- **9.** When the amount of labour used per unit of output is larger than that of capital, it is known as
 - (a) capital-intensive technique
 - (b) labour-intensive technique
 - (c) scientific technique
 - (d) manpower technique
- **10.** Which of the following growth models inspired the use of capital-output ratio for development planning?
 - (a) Harrod-Domar model
 - (b) Solow model
 - (c) Kaldor model
 - (d) Feldman model

(SECTION : B—SHORT NOTE)

(Marks: 15)

Write short notes on the following: $3 \times 5 = 15$ UNIT-I 1. Gresham's law OR 2. High-powered money UNIT-II 3. Cash Reserve Ratio (CRR) OR 4. Statutory Liquidity Ratio (SLR) UNIT-III 5. Accelerator OR 6. Phases of trade cycle UNIT-IV 7. Difference between cost-push inflation and demand-pull inflation OR 8. Phillips curve Unit-V 9. Technological progress **OR**

10. Indicators of economic development

(SECTION: C—DESCRIPTIVE)

(*Marks* : 50)

UNIT—I

1. Define money. Explain the various functions of money.

3+7=10

OR

2. Discuss Fisher's quantity theory of money. What is its limitation? 7+3=10

UNIT-II

3. Define commercial bank. Discuss the functions of commercial bank.

3+7=10

OR

4. What is a central bank? Describe the various instruments used by the Central Bank to control credit. 3+7=10

UNIT—III

5. What are the characteristics of trade cycle? Explain the various measurements to control cyclical fluctuations in the economy. 3+7=10

OR

6. Discuss Hawtrey's pure monetary theory of trade cycle.

10

UNIT-IV

7. What is inflation? Discuss the effects of inflation on various sectors of the economy. 3+7=10

OR

8. What are the causes of inflation? Discuss various measures to control inflation in the economy. 4+6=10

UNIT-V

9. Discuss the relationship between economic growth and technical progress. 10 **OR**

OK

10. Critically explain the Harrod-Domar model of economic growth.

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