

Internal Examination - 2021.

Dept. of Economics.

Sub: Intermediate Macro Economics - I

SEM - III (Hons).

Core - 6.

Date: 13.03.2021.

FM - 20

Answer Any Four

$5 \times 4 = 20$

1. Briefly derive the Government Expenditure Multiplier
2. Briefly illustrate the Three-Sector model of Keynesian Economics.
3. Derive the Balanced Budget Multiplier. Why it is called Balanced?
4. Prove that  $MPC + MPS = 1$ , Also, show that, Investment Multiplier is reciprocal to Marginal Propensity to Save (MPS).
5. Write a note on 'Paradox of Thrift'