2020

ECONOMICS (Honours)

Paper : II - A & B

(Macroeconomics)

[New Syllabus]

Important Instructions for Multiple Choice Question (MCQ)

- Write Subject Name and Code, Registration number, Session and Roll number in the space provided on the Answer Script.

  Example : Such as for Paper III-A (MCQ) and III-B (Descriptive).

  Subject Code : | III | A | & | B |

  Subject Name : | |

- Candidates are required to attempt all questions (MCQ). Below each question, four alternatives are given [i.e. (A), (B), (C), (D)]. Only one of these alternatives is 'CORRECT' answer. The candidate has to write the Correct Alternative [i.e. (A)/(B)/(C)/(D)] against each Question No. in the Answer Script.

  Example — If alternative A of 1 is correct, then write :
  1. — A

- There is no negative marking for wrong answer.

মাল্টিপল চয়েস প্রশ্নের (MCQ) জন্য জরুরী নির্দেশাবলী

- উত্তরপত্রে নির্দেশিত স্থানে বিষয়ের (Subject) নাম এবং কোড, রেজিস্ট্রেশন নম্বর, সেশন এবং রোল নম্বর লিখতে হবে।

  উদাহরণ — যেমন Paper III-A (MCQ) এবং III-B (Descriptive)।

  Subject Code : | III | A | & | B |

  Subject Name :

- পরীক্ষার্থীদের সবগুলি প্রশ্নের (MCQ) উত্তর দিতে হবে। প্রতিটি প্রশ্নে চারটি করে সম্ভাব্য উত্তর, যথাক্রমে (A), (B), (C) এবং (D) করে দেওয়া আছে। পরীক্ষার্থীকে তার উত্তরের স্বপক্ষে (A) / (B) / (C) / (D) সঠিক বিকল্পটিকে প্রশ্ন নম্বর উল্লেখসহ উত্তরপত্রে লিখতে হবে।

  উদাহরণ — যদি **1** নম্বর প্রশ্নের সঠিক উত্তর **A** হয় তবে লিখতে হবে :

  1. — A

- ভুল উত্তরের জন্য কোন নেগেটিভ মার্কিং নেই।

Paper Code : II - A

Full Marks : 20 | Time : Thirty Minutes

Choose the correct answer.

Each question carries 2 marks.

1. Which of the following factors affects velocity of circulation of money?
   (A) Time unit of income receipts
   (B) Frequency of transaction
   (C) Liquidity preference
   (D) All of the above

2. According to Keynes, transaction demand for money T can be stated as —
   (A) T=T(r)
   (B) T=T(y)
   (C) T=T(y)+L(r)
   (D) T=Y-I

3. The speculative demand for money is —
   (A) Interest determining
   (B) Interest determined
   (C) Income determining
   (D) Income determined

4. Given the consumption function C = 205 + 0.9Y, the multiplier is —
   (A) 0.09
   (B) 0.9
   (C) 10
   (D) 9

5. In the estimation of National Income ______________ is not included —

   (A) Rent

   (B) Interest

   (C) Dividend

   (D) Transfer payments

6. An increase in investment will shift the —

   (A) LM curve upward to the left

   (B) LM curve downward to the right

   (C) IS curve upward to the right

   (D) IS curve downward to the left

7. According to the Classical theory, full employment in the labour market is restored through —

   (A) The manipulation of prices

   (B) The manipulation of wages

   (C) Government intervention

   (D) Adjustment in real income

8. Which of the following is not correctly matched?

   (A) Wealth effect — Pigou

   (B) Acceleration principal — Clark

   (C) Permanent Income hypothesis — Duesenberry

   (D) Consumption Function — Keynes

9. High-powered money is —

   (A) Only banks' reserves at the central bank

   (B) All loans of the banks

   (C) All loans and securities of the banks

   (D) Rupee held as the legal bank reserves

10. Inflation results of increases in the cost of production, is known as —

   (A) Cost-push inflation

   (B) Demand pull inflation

   (C) Either A or B

   (D) Hyperinflation

2020

ECONOMICS (Honours)

Paper : II - B

(Macroeconomics)

[New Syllabus]

Full Marks : 80 Time : Three Hours Thirty Minutes

The figures in the margin indicate full marks.

Group - A

Answer any *four* questions. 10×4=40

1. Define national income. Critically explain the output method measuring national income. 3+7

2. How does the concept of marginal efficiency of capital help in determining the investment behavoiur? 10

3. The size of the multiplier varies directly with the size of the MPC. Explain this statement. 10

4. How does the demand for money depend on the nominal interest rate and income? 10

5. Why there is a trade-off between unemployment and inflation in the short run? 10

6. Briefly explain the classical dichotomy. 10

7. Critically explain the Harrod model of economic growth. 10

8. Drive the IS curve. How the slope of the IS curve is explained. 3+7

Group - B

Answer any *two* questions. 20×2=40

9. Explain the Relative Income Hypothesis of the consumption behavior. How far it is an improvement on the Absolute Income Hypothesis? 12+8

10. Explain briefly the Classical model of income and employment. How full employment is ensured in the model? 10+10

11. What is Keynesian liquidity preference function? How equilibrium interest rate is determined through this function? 12+8

12. Define multiplier and the accelerator. How the interactions between the multiplier and the accelerator of Samuelson model can explain the fluctuations in national income? 20