

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

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(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

2. Meaning of derivative deposit

(Marks : 15)
Answer the following questions :
3x5=15

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

3. The ...

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

10. Assuming that 3 units of ... are required to produce 1 unit of ... the capital-output ratio would be

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

(7)

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

(8)

4. Explain the prosperity phase of trade cycle.

5. Basic determinants of economic growth

IV/ECO (iv)

Part A
(30 marks)

QUESTION
SHORT ANSWER

(15 questions—15)

Full Marks: 75
Time: 3 hours

1 in 10
date

margin
/ Commerce
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(PART : B—DESCRIPTIVE)

(Marks: 30)

Answer in the margin. Write 10 marks
for the questions.

money? Describe the various
types of money.

Or

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

a 'bank'. Discuss the functions of a
central bank. 10
