

[ 22-HKPD1SN-23A ]

M.A 1st Semester (New) Exam. 2022 (W)

**ECONOMICS**

( *Macroeconomics-I* )

[ PGEC S1-02 ]

*Full Marks : 70/80*

*Time : 3 hours*

*The figures in the right-hand margin indicate marks.*

**[ Learners admitted in and after 2020 need to answer only Q.No. 1 to Q.No. 4 (total 70 marks)]**

1. Answer any *five* from the following questions (each in around 50 words):  $2 \times 5 = 10$

- (a) State the definition of capital consumption allowance.
- (b) What does a transaction matrix exhibit ?
- (c) What aggregate demand imply ?
- (d) Define marginal efficiency of capital.
- (e) State two basic differences between absolute and relative income hypothesis.
- (f) Give the definition of investment as given by Stonier and Hague.

2. Answer any *four* from the following questions (each in around 120 words):  $3 \times 4 = 12$

- (a) Write a short note on consumption puzzle.
- (b) Explain the different leakages of investment multiplier.

*(Turn Over)*

(2)

- (c) State the relevance of accelerator principle in policy intervention.
- (d) Briefly discuss the concept of balanced budget multiplier.
- (e) Explain the impact of increase in the supply of money according to the quantity theory of money.
3. Answer any *four* from the following questions (each in around 250 words):  $6 \times 4 = 24$
- (a) Explain the Keynesian approach of determination of equilibrium rate of interest with suitable diagram.
- (b) Make a comparative analysis on neo-classical and Keynesian views on interest.
- (c) 'Under flexible exchange rates, monetary policy is highly effective and fiscal policy is ineffective in changing output.' Explain.
- (d) Distinguish between personal income and disposable income. State the definition of NNP at factor cost and market prices.  $3+3 = 6$
- (e) Discuss the balance of payments accounts with a hypothetical example.
4. Answer any *three* from the following questions (each in around 300 words):  $8 \times 3 = 24$
- (a) How the equilibrium rate of employment is determined in the classical theory?
- (b) Explain the concept of transitory income, transitory expenditure and transitory purchase. Provide two criticism of permanent income hypothesis.  $6+2 = 8$
- (c) Explain the relation between investment and rate of interest with appropriate equations and schedule.
- (d) Discuss various long run and short run factors affecting MEC (marginal efficiency of capital).

(3)

( Q. No. 5 is only for learners admitted before 2020 )

5. Answer any *one* from the following questions (in around 350 words):  $10 \times 1 = 10$
- (a) Describe the process of multiplier-accelerator interaction with the help of appropriate examples.
- (b) Explain the quantity theory of money. How does it explain inflation in an economy.  $6+4 = 10$