

2017/ODD/SEM/ECOP-301/195

TDC Odd Semester Exam., 2017

ECONOMICS

(Pass)

(3rd Semester)

Course No. : ECOP-301

(Macroeconomics—I)

Full Marks : 50

Pass Marks : 17

Time : 2 hours

*The figures in the margin indicate full marks
for the questions*

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. (a) Briefly discuss the nature and scope of macroeconomics. 2+3=5
- (b) Define the following concepts : 2½×2=5
 - (i) Gross National Product (GNP)
 - (ii) Gross Domestic Product (GDP)
2. (a) Define National Income. Mention the different methods of measuring national income. 2+3=5

8J/444

(Turn Over)

(2)

- (b) State the income method of measuring national income. Briefly explain various difficulties involved in the estimation of national income. 2+3=5

UNIT—II

3. (a) Explain briefly the Classical Theory of Employment. What are its assumptions? 5+2=7
- (b) Point out three limitations of Classical Theory of Employment.
4. (a) Explain the Fisher's version of Quantity Theory of Money. 6
- (b) What are the criticisms of Fisher's Quantity Theory of Money? 4

UNIT—III

5. (a) What is effective demand? What are the determinants of effective demand? 2+3=5
- (b) How does effective demand work to determine the level of employment? 5
6. (a) Write down the important assumptions of Keynesian Theory of Employment. Mention its three limitations. 3+3=6

(3)

- (b) Do you think that Keynesian theory is applicable to a developing economy like India? Give reasons in support of your answer. 4

UNIT—IV

7. (a) What do you mean by consumption function? Mention the important features of consumption function. 2+3=5
- (b) State Keynes' Psychological Law of Consumption. What are the assumptions of the law? 3+2=5
8. (a) Define investment multiplier. Explain the working process of investment multiplier. 2+4=6
- (b) State the acceleration principle. Mention its limitations. 2+2=4

UNIT—V

9. (a) What is money? Point out the advantages and disadvantages of money. 1+2+2=5
- (b) Explain the major functions of money. 5

8J/444

(Turn Over)

(4)

10. (a) What is the name of the Central Bank of India? Discuss the selective credit control measures adopted by the Central Bank to control money supply in an economy. 1+4=5
- (b) Discuss the significance of Central Bank to the overall economic development of a country. 5

2018/SEM/ODD/ECOP-301/218

TDC Odd Semester Exam., 2018

ECONOMICS

(Pass)

(3rd Semester)

Course No. : ECOP-301

(Macroeconomics—I)

Full Marks : 50

Pass Marks : 17

Time : 2 hours

*The figures in the margin indicate full marks
for the questions*

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. (a) Explain the uses and limitations of
macroeconomics. 3+3=6
- (b) Explain briefly the relationship between
national income and welfare. 4

2. (a) What is national income? What is the
importance of estimating national
income? 2+3=5

J9/441

(Turn Over)

(2)

- (b) Make distinction between the following : $2\frac{1}{2} \times 2 = 5$
- (i) Nominal GDP and Real GDP
 - (ii) NNP at current prices and NNP at constant prices

UNIT—II

3. (a) Explain clearly Say's law of markets. 6
- (b) Is it consistent with Fisher's quantity theory? 4
1. (a) Discuss the Cambridge cash balance approach to the quantity theory of money. 6
- (b) How far is the Cambridge cash balance approach superior to the cash transaction approach? 4

UNIT—III

5. Explain the role of effective demand in Keynes theory of employment. 10
6. "The Keynesian theory of effective demand is the heart of modern macroeconomics." Discuss. 10

UNIT—IV

7. Explain the subjective and objective factors affecting consumption function. 10

(3)

8. (a) Mention the assumptions and main leakages of investment multiplier. 5
- (b) What is acceleration? Mention three limitations of acceleration principle. $2+3=5$

UNIT—V

9. (a) Write down one basic characteristic of money. 1
- (b) State two components of money supply. 2
- (c) State the functions of money as a store of value. 2
- (d) Write short notes on the following : $2\frac{1}{2}\times 2=5$
- (i) Fiat money and credit money
 - (ii) Near money and legal tender money
10. (a) Discuss the functions of a Central Bank as a lender of a last resort. 5
- (b) Define the following concepts : $2\frac{1}{2}\times 2=5$
- (i) Cash-reserve ratio
 - (ii) Bank rate

2019/TDC/ODD/SEM/ECOP-301/257

TDC Odd Semester Exam., November—2019

ECONOMICS

(Pass)

(3rd Semester)

Course No. : ECOP-301

(Macroeconomics—I)

Full Marks : 50

Pass Marks : 17

Time : 2 hours

*The figures in the margin indicate full marks
for the questions*

Answer **five** questions, taking **one** from each Unit

UNIT—I

- | | | |
|-----------|---|---|
| 1. | <i>(a)</i> Distinguish between microeconomics and macroeconomics. | 5 |
| | <i>(b)</i> Explain the nature of macroeconomics. | 5 |
| 2. | <i>(a)</i> What is GNP deflator? | 2 |
| | <i>(b)</i> Explain briefly the different methods of estimating national income. | 6 |

20J/429

(Turn Over)

(2)

- (c) Mention two difficulties of national income estimation. 2

UNIT—II

3. (a) Explain the classical theory of employment. What are its assumptions? 5+2=7
- (b) Point out three implications of Say's law of market. 3
4. (a) Explain clearly Fisher's equation of exchange. 6
- (b) What are the weaknesses in Fisher's quantity theory of money? 4

UNIT—III

5. Critically explain Keynes' theory of income and employment. 10
6. (a) Define under-employment equilibrium. 3
- (b) Do you think that Keynesian theory of employment is equally applicable both in developed and underdeveloped economy? Give reasons for your answer. 7

UNIT—IV

7. (a) What is consumption function? 2
(b) "The psychological law of consumption is the most notable contribution of Keynes." Discuss. 8
8. (a) Define investment multiplier. Explain the working process of investment multiplier. 2+4=6
(b) Point out four leakages of multiplier. 4

UNIT—V

9. (a) Define money. Point out the main characteristics of money. 1+5=6
(b) Explain briefly the measure of value and the store of value functions of money. 2+2=4
10. (a) Define M_1 and M_3 . 2+2=4
(b) What role can the central bank play in promoting banking sector? 6

2019/TDC/ODD/SEM/ECOSEC-301T/068

TDC (CBCS) Odd Semester Exam., 2019

ECONOMICS

(3rd Semester)

Course No. : ECOSEC-301T

(Data Analysis)

Full Marks : 50

Pass Marks : 20

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

Answer **all** questions

UNIT—I

1. Answer any *three* of the following questions :

1×3=3

- (a) Define 'sampling unit'.
- (b) Name one source of secondary data.
- (c) Give another name for population survey.

20J/1101

(Turn Over)

(2)

(d) Mention one precaution in the use of secondary data.

2. Give brief answer to any *one* of the following : 2

(a) Write two advantages of population survey over sampling.

(b) Define random sampling.

3. (a) Discuss three merits and two demerits of secondary data. 5

Or

(b) Distinguish between random sampling with replacement and random sampling without replacement. 5

UNIT—II

4. Answer any *three* of the following questions :

1×3=3

(a) Expand

$$\sum_{i=1}^3 x_i$$

(b) What is the geometric mean of the variable x , if $x = a, b$?

20J/1101

(Continued)

(3)

- (c) Write the formula for standard deviation of x_i , when $i = 1, 2, \dots, n$.
- (d) State the relation among mean, median and mode in a fairly normally distributed population.

5. Give brief answer to any *one* of the following : 2

- (a) Mention two advantages of arithmetic mean.
- (b) Write two disadvantages of median.

6. (a) Calculate standard deviation from the following distribution : 5

<i>Class</i>	<i>Frequency</i>
15-25	4
25-35	11
35-45	19
45-55	14
55-65	0
65-75	2

Or

- (b) Prove that for two non-negative observations a and b , $AM \geq GM \geq HM$. 5

(4)

UNIT—III

7. Answer any *three* of the following questions : 1×3=3

- (a) What is a random experiment?
- (b) Define sample space.
- (c) What is the probability of getting 'six' from the throw of an unbiased die?
- (d) How many possible outcomes are there in each trial of binomial distribution?

8. Give brief answer to any *one* of the following : 2

- (a) Define the following :
 - (i) Mutually exclusive events
 - (ii) Independent event
- (b) The probability function for Poisson distribution is given as

$$f(x) = \frac{e^{-m} m^x}{x!}$$

Find the corresponding values for $f(x)$, when $x = 0, 1, 2, 3$.

(5)

9. (a) A card is drawn at random from a well-shuffled pack of 52 cards. Find the probability of the getting—
- (i) a black card;
 - (ii) a red card;
 - (iii) a king;
 - (iv) either a king or a queen;
 - (v) a joker. 5

Or

- (b) What is the probability that a leap year selected at random will have 53 Sundays? 5

UNIT—IV

10. Answer any *three* of the following questions : 1×3=3

- (a) What is confidence interval?
- (b) What is the difference between population mean and sample mean?
- (c) If population is to sample, what is 'parameter' is to?
- (d) If we have a sample $x = x_1, x_2, \dots, x_n$, what is the sample variance?

11. Give brief answer to any *one* of the following : 2

- (a) What is the difference between an estimate and an estimator?
- (b) Mention any two methods of point estimation.

12. (a) If x_1, x_2, \dots, x_n constitute a random sample from an infinite population with variance b^2 and \bar{x} is the sample mean, show that

$$\sum_{i=1}^n \frac{(x_i - \bar{x})^2}{n}$$

is a biased estimator of b^2 . 5

Or

(b) Explain the properties of consistency and sufficiency of an estimator. 5

UNIT—V

13. Answer any *three* of the following questions :
1×3=3

- (a) Define an index number.
- (b) If $P_0 = 100$ and $P_1 = 110$, what is the percentage change in the prices, and in which direction?

(7)

- (c) Write out the formula for Laspeyres' index with usual notation.
- (d) What are 'weights' in an index number?

14. Give brief answer to any *one* of the following : 2

- (a) State two problems in the construction of an index number.
- (b) Write two uses of a cost of living index number.

15. (a) Prove that Fisher's index satisfies both time reversal test and factor reversal test. 5

Or

(b) Construct index numbers using both Laspeyres' and Paasche's methods from the following data : 5

Items	Quantity		Price	
	Q_0	Q_1	P_0	P_1
A	10	12	12	15
B	5	10	8	10
C	12	16	10	12

2019/TDC/ODD/SEM/
ECOSEC-301T/068

20J-1370/1101

**2019/TDC/ODD/SEM/ECODSC/
ECOGE-301T/067**

TDC (CBCS) Odd Semester Exam., 2019

ECONOMICS

(3rd Semester)

Course No. : ECODSC/ECOGE-301T

**(Core Economics III : Principles of
Macroeconomics—I)**

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

Answer all questions

UNIT—I

1. Answer any *four* of the following questions :

1×4=4

- (a) Define macroeconomics.
- (b) Write the names of any two macro-economic variables.

20J/1100

(Turn Over)

(2)

- (c) What are the types of circular flow of income?
- (d) Write any one limitation of macroeconomics.
- (e) What are 'leakages' from the circular flow of income?

2. Answer any *one* of the following questions : 2

- (a) What are the different phases of circular flow of income?
- (b) Define stock and flow concepts in macroeconomics.

3. Answer any *one* of the following questions : 8

- (a) Explain the nature and scope of macroeconomics. 4+4=8
- (b) Explain the circular flow of income in a two-sector economy with the help of a diagram. 8

UNIT—II

4. Answer any *four* of the following questions :

1×4=4

- (a) What is national income?
- (b) What is nominal income?

(3)

(c) Define GDP deflator.

(d) What is per capita income?

• (e) Write any one importance of national income analysis.

5. Answer any *one* of the following questions : 2

(a) Write any two limitations of national income analysis.

(b) Define the concept of factor cost and market price in national income accounting.

6. Answer any *one* of the following questions : 8

(a) Define the following : 2×4=8

(i) Gross domestic product (GDP)

(ii) Gross national product (GNP)

(iii) Net national product (NNP)

(iv) Personal disposable income (PDI)

(b) Briefly explain the various methods of measuring national income accounting. 8

20J/1100

(Turn Over)

(4)

UNIT—III

7. Answer any *four* of the following questions : 1×4=4
- (a) What is potential GDP? "
 - (b) What is APS?
 - (c) Is MPC greater than 1?
 - (d) What is aggregate expenditure?
 - (e) What is autonomous expenditure?
8. Answer any *one* of the following questions : 2
- (a) Define consumption function.
 - (b) What is marginal efficiency of capital (MEC)?
9. Answer any *one* of the following questions : 8
- (a) What is multiplier? Explain the working process of multiplier. 2+6=8
 - (b) What are the properties of MPC? Explain the relationship between APC and MPC. 4+4=8

(5)

UNIT—IV

10. Answer any *four* of the following questions : 1×4=4

- (a) What is fiscal policy?
- (b) Define net exports.
- (c) What is government expenditure?
- (d) What is taxation?
- (e) Write the name of any one instrument of fiscal policy.

11. Answer any *one* of the following questions : 2

- (a) Define net exports function.
- (b) Write any two objectives of fiscal policy.

12. Answer any *one* of the following questions : 8

- (a) Explain the concept of net exports and equilibrium of national income.

20J/1100

(Turn Over)

(6)

- (b) Explain the role of fiscal policy in economic development.

UNIT—V

13. Answer any *four* of the following questions : 1×4=4

- (a) Define money.
- (b) Who developed the liquidity preference theory of interest?
- (c) What is demand for money?
- (d) What are the different measures of money supply according to RBI?
- (e) What is monetary policy?

14. Answer any *one* of the following questions : 2

- (a) What is liquidity trap?
- (b) Write any two objectives of monetary policy.

(7)

15. Answer any *one* of the following questions : 8

(a) Explain the quantity theory of money. 8

(b) What is credit creation? Explain the process of credit creation of commercial banks. 2+6=8

**2020/TDC(CBCS)/ODD/SEM/
ECODSC/GE-301T/456A**

**TDC (CBCS) Odd Semester Exam., 2020
held in March, 2021**

ECONOMICS

(3rd Semester)

Course No. : ECODSC/ECOG-301T

(Principles of Macroeconomics-I)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. Who are the macroeconomic decision makers?
2. What do you mean by economic agents?
3. Who is the author of *The General Theory of Employment, Interest and Money*?

10-21/356

(Turn Over)

(2)

4. What is circular flow of income?
5. Define leakages.
6. Write two examples of injections.
7. Why is macroeconomics also known as 'Theory of Income and Employment'?
8. State one basic principle of circular flow of income.
9. Who are called normal residents of a country?
10. Define net factor income from abroad.
11. What is net indirect tax?
12. How does GDP_{MP} differ from NDP_{MP} ?
13. Name two methods of estimating national income.
14. Why are transfer payments not included in national income?
15. Define depreciation.
16. What is called domestic territory?

(3)

17. State Keynes' psychological law of consumption.
18. Define propensity to consume.
19. What is autonomous consumption?
20. Write the relation between APC and APS.
21. Give the meaning of ex-ante investment.
22. Define aggregate expenditure.
23. Can consumption expenditure be greater than income?
24. What is the value of multiplier when MPC is zero?
25. Write two examples of indirect tax.
26. Point out one distinction between plan expenditure and non-plan expenditure.
27. What is fiscal policy?
28. Define net exports.

(4)

29. Is government expenditure a component of aggregate spending?
30. What is called a balanced budget?
31. Define a compensatory fiscal policy.
32. What type of budget is to be adopted to fight inflation?
33. Name the two components of money supply.
34. What is money multiplier?
35. Write the purposes for which people demand money.
36. How is speculative demand for money related to rate of interest?
37. What is liquidity trap?
38. Who has developed the liquidity preference theory of interest?
39. Name one instrument of monetary policy.
40. What is CRR?

(5)

SECTION—B

Answer any *five* of the following questions : $2 \times 5 = 10$

41. Name four major sectors of an economy from macro point of view.
42. Distinguish between money flow and real flow with the help of an example.
43. Point out two differences between nominal national income and real national income.
44. Write two distinctions between factor income and transfer income.
45. Mention two determinants of investment.
46. Prove that $MPC + MPS = 1$.
47. What is called net exports function?
48. Point out two limitations of fiscal policy.
49. How is transaction demand for money related to level of income?
50. Point out two objectives of a monetary policy.

SECTION—C

Answer *any five* questions

51. Explain the circular flow of income in a three-sector economy. 8
52. "Macroeconomics is the study of economy as a whole." What are the variables that figure in the study of economy as a whole? 8
53. Describe the value-added method of estimating national income. Point out two difficulties of the approach. 6+2=8
54. "GDP is not always index of economic welfare." Explain the statement with reasons. 8
55. (a) Point out four specific features of a saving function.
- (b) Given the autonomous consumption of an individual is ₹ 500 and his personal disposable income is ₹ 5000. If his MPC is 0.8, find out the level of consumption. 4+4=8
56. (a) Explain the working of multiplier.
- (b) Point out four features of an investment multiplier. 4+4=8

(7)

57. Describe the role of fiscal policy in achieving economic growth and in stabilising the economy. 8
58. What kind of fiscal policy is suitable for controlling inflation? Write the necessary conditions for fiscal policy to control inflation effectively. 8
59. Explain the role of money in a modern economy. 8
60. Describe in brief the different instruments of monetary policy.

**2021/TDC/CBCS/ODD/ECODSC/
GE-301T/456A**

**TDC (CBCS) Odd Semester Exam., 2021
held in March, 2022**

ECONOMICS

(3rd Semester)

Course No. : ECODSC/GE-301T

(Principles of Macroeconomics—I)

Full Marks : 70
Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

SECTION—A

Answer any *twenty* of the following questions :

1×20=20

1. Why is macroeconomics also known as the 'theory of income and employment'?
2. State two flows that take place between the government and firms.

(2)

3. Define macroeconomic variables.
4. What do you mean by a macroeconomic paradox?
5. Write two examples of 'leakages' from the circular flow of income.
6. How does GDP_{MP} differ from NDP_{MP} ?
7. Define expenditure method of estimating national income.
8. Define personal disposable income.
9. What is final consumption expenditure?
10. What are subsidies?
11. What do you mean by potential GDP?
12. What is aggregate demand?

(3)

13. Define marginal propensity to consume.
14. What is autonomous investment?
15. If the value of MPS is 0.3, what is the value of MPC?
16. Define fiscal policy.
17. Define the concept of net export function.
18. What do you mean by open economy?
19. Define contractionary fiscal policy.
20. What do you mean by economic stability?
21. Define money in the functional sense.
22. Write the purposes for which people demand money.

(4)

23. State the Marshallian cash balance equation giving the meaning of the variables.
24. What is meant by credit creation?
25. What is cash reserve ratio?

SECTION—B

Answer any *five* of the following questions : $2 \times 5 = 10$

26. What happens to circular flow of income when leakages are more than injections?
27. Distinguish between money flow and real flow with the help of examples.
28. How can the problem of double counting be avoided?
29. Distinguish between factor income and transfer income.

(5)

30. Explain the relationship between multiplier and marginal propensity to consume.
31. Mention two determinants of investment.
32. Mention two instruments of fiscal policy.
33. Point out the limitations of fiscal policy.
34. What are the determinants of supply of money?
35. Write two instruments of monetary policy.

SECTION—C

Answer any *five* of the following questions : $8 \times 5 = 40$

36. Define macroeconomics. Discuss its nature and scope. $2+3+3=8$
37. Explain the circular flow of income in a three-sector economy.

(6)

38. Describe the value-added method of estimating national income. Mention two difficulties of this approach. $6+2=8$
39. Bring out the importance and significance of national income estimates in modern economic analysis.
40. What do you mean by consumption function? Explain the factors influencing consumption function. $2+6=8$
41. Explain the concept of investment multiplier. How is it related to MPC and MPS? $5+3=8$
42. Explain the impact of changes in government expenditure in achieving economic growth.
43. Explain how net export function affects the equilibrium level of income in an open economy.

(7)

44. Liquidity preference and money supply together determine rate of interest. Explain.
45. Explain briefly the different objectives of monetary policy.

**2021/TDC/CBCS/ODD/
ECOSEC-301T/457**

**TDC (CBCS) Odd Semester Exam., 2021
held in March, 2022**

ECONOMICS

(3rd Semester)

Course No. : ECOSEC-301T

(Data Analysis)

Full Marks : 50

Pass Marks : 20

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

SECTION—A

Answer any *fifteen* of the following questions :

1×15=15

1. Define sample from the statistical viewpoint.
2. State one example of random sampling.
3. Mention one advantage of sample survey.

(4)

26. Illustrate the concept of exhaustive event.
27. Mention two differences between point estimate and interval estimate.
28. Define confidence interval.
29. State the formulae of Laspeyres' index and Paasche's index.
30. Write two uses of index number.

SECTION—C

Answer any *five* of the following questions : $5 \times 5 = 25$

31. Distinguish between population census and sample survey. 5
32. Mention the different methods of random sampling. Explain any one of them. $2+3=5$
33. Prove that $AM \geq GM \geq HM$. 5
34. Define arithmetic mean. Calculate arithmetic mean for the following frequency distribution : $2+3=5$

Class	:	0-10	10-20	20-30	30-40	40-50
Frequency	:	2	5	9	3	2

(5)

35. Give the classical definition of probability.
Mention its properties. 2+3=5
36. Prove that for any two events A and B we have
$$P(A + B) = P(A) + P(B) - P(AB)$$
 5
37. Distinguish between parameter and statistics. 5
38. What is point estimate? Mention the criterion of a good estimator. 1+4=5
39. Explain the different methods of construction of index number. 5
40. Show that Fisher's price index number satisfies both the time reversal test and the factor reversal test. 5

**2022/TDC/ODD/SEM/
ECODSC/GE-301T/456A**

TDC (CBCS) Odd Semester Exam., 2022

ECONOMICS

(3rd Semester)

Course No. : ECODSC/GE-301T

(Principles of Macroeconomics—I)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

UNIT—I

1. Answer any *four* of the following questions :

1×4=4

- (a) Define macroeconomics.
- (b) What is a macroeconomic paradox?
- (c) Who are economic agents?
- (d) Define stock.
- (e) Write two examples of flow.

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(Turn Over)

(2)

2. Answer any *one* of the following questions : 2
- (a) Mention two aspects of circular flow of income.
 - (b) Give two illustrations of interdependence between micro-economics and macroeconomics.
3. Answer any *one* of the following questions : 8
- (a) (i) Distinguish between micro-economics and macroeconomics with suitable examples. 4
 - (ii) Why do we need a separate theory of macroeconomics? 4
 - (b) (i) Explain the working of a two-sector circular flow model with a financial system. 4
 - (ii) State the significance of circular flow model. 4

UNIT—II

4. Answer any *four* of the following questions :
1×4=4
- (a) Define NNP_{MP} .
 - (b) What is consumption of fixed capital?

(3)

- (c) Write two examples of transfer payments.
- (d) When is GDP of an economy equal to its GNP?
- (e) What is gross national disposable income?

5. Answer any *one* of the following questions : 2

- (a) Define GDP deflator. How is it calculated?
- (b) Point out two distinctions between nominal national income and real national income.

6. Answer any *one* of the following questions : 8

- (a) (i) Distinguish between final goods and intermediate goods with the help of examples. 3
- (ii) Calculate NNP_{MP} from the following : 5
 - (1) Domestic income = 3500
 - (2) Excise duties = 200
 - (3) Consumption of fixed capital = 400
 - (4) Subsidies = 100
 - (5) NFIA = (-100)

(4)

- (b) (i) Explain the income method of estimating national income. 5
- (ii) Point out three precautions that need to be taken while calculating national income using expenditure method. 3

UNIT—III

7. Answer any *four* of the following questions : 1×4=4
- (a) Define propensity to consume.
- (b) What is the value of MPS when MPC is zero?
- (c) Can the value of APC greater than one?
- (d) Define a consumption function.
- (e) What is autonomous investment?
8. Answer any *one* of the following questions : 2
- (a) Prove that $MPC + MPS = 1$.
- (b) Write two features of multiplier.
9. Answer any *one* of the following questions : 8
- (a) (i) Write three factors influencing the consumption function. 3

(5)

- (ii) Explain the working of investment multiplier with the help of an example. 5
- (b) (i) It is planned to increase national income by ₹ 1,000 crores. How much increase in investment is required to achieve this goal? Assume that MPC is 0.6. 4
- (ii) Write in brief the different components of aggregate expenditure of an economy. 4

UNIT—IV

10. Answer any *four* of the following questions : 1×4=4
- (a) What is called fiscal policy?
- (b) Define an open economy.
- (c) What is net export?
- (d) Write one instrument of fiscal policy.
- (e) What is called economic stability?
11. Answer any *one* of the following questions : 2
- (a) Point out two limitations of fiscal policy.
- (b) Distinguish between open economy and closed economy.

(6)

12. Answer any *one* of the following questions : 8

- (a) Analyze the effect of government expenditure and taxation upon income.
- (b) Describe how net export function affects the equilibrium income in an open economy.

UNIT—V

13. Answer any *four* of the following questions :
1×4=4

- (a) What is transaction demand for money?
- (b) Who has developed the liquidity preference theory?
- (c) Point out one objective of monetary policy.
- (d) How is speculative demand for money related to rate of interest?
- (e) What is liquidity trap?

14. Answer any *one* of the following questions : 2

- (a) Point out two functions of money in a modern economy.
- (b) Write two determinants of supply of money.

(7)

15. Answer any *one* of the following questions : 8

- (a) Critically explain the liquidity preference theory of interest.
- (b) Describe in brief the different instruments of monetary policy.

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