2022

Economics

[HONOURS]

(CBCS)

(B.Sc. Third Semester End Examination-2022)

PAPER-CC6

Intermediate Microeconomics

Full Marks: 60   **Time: 03 Hrs**

The figures in the right hand margin indicate marks
Candidates are required to give their answers in their own words as
far as practicable
Illustrate the answers wherever necessary

Group-A

1. **Answer any ten questions of the following:**   **10x2= 20**

a) What is investment multiplier?

b) What do you mean by government expenditure multiplier?

c) Derive the slope of IS curve.

d) Show when LM curve takes vertical slope.

e) What is statutory liquidity Ratio (SLR).

f) What is high powered money?

g) What do you mean by real balance effect?

h) Define fixed exchange rate and flexible exchange rate.

i) Give two reasons for inflation in India.

j) Define Disguished unemployment.

k) What is Stagflation?

l) How will the C/Y ratio behave if y falls in the short run?

m) How will the IS curve shift on account of a rise in tax rate?

n) Which is the most liquid asset and why?

o) What are the different motives for holding money?

Group-B

Answer any four questions of the following: **4x5 = 20**

2. How can you derive the balance budget multiplier in the IS-LM model?

3. Explain the concept of Paradox of thrift.

4. Explain the crowding out effect.

5. Show the relationship between'Narrow money' and 'High Powered money'.

6. Distinguish between demand pull and cost push inflation.

7. Explain the shape and position of the demand for money schedule. How can it shift?   4+1

8. Discuss the concept of money multiplier and point out the factors that restrict the operation of such multipliers.

Group –C

Answer any two questions: **2x10 = 20**

9. In term of the IS-LM model examine the effects of a rise in money supply on equilibrium income and rate of interest.

10. Discuss the nature and implication of the short-run Phillips curve and analyse its probable shake in the long run.

11. a) What are the major functions of RBI?

    b) Explain open market operation.   6+4

12. Explain the Mundell Fleming model in determination of exchange rate and net export.