

2021
ECONOMICS
[HONOURS]
(CBCS)
(B.Sc. Third Semester End Examinations-2021)
PAPER-CC6
(Intermediate Macroeconomics – II)

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 from the questions below: 10x2= 20**
- a) Define stagflation.
 - b) What is autonomous expenditure?
 - c) Define structural unemployment.
 - d) Define underemployment.
 - e) Define investment multiplier.
 - f) Define tax multiplier for an autonomous tax.
 - g) Define autonomous investment and induced investment.
 - h) If investment demand is perfectly interest inelastic what will be the shape of the IS curve.

(2)

- i) Show when a LM curve has vertical slope.
- j) What is effective demand?
- k) Define repo rate and reverse repo rate.
- l) What is high power money?
- m) What do you mean by open market operations?
- n) What is Hyper inflation?
- o) What is 'Base Rate'?

Group-B

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

- 2) Explain paradox of thrift.
- 3) Explain crowding out effect.
- 4) What are the major difference between fixed and flexible exchange rate?
- 5) Explain the real balance effect.
- 6) Explain how the equilibrium level of national income is determined in the simple Keynesian model.
- 7) How can you derive the balanced budget multiplier in IS-LM model?
- 8) Explain why the long run Phillips curve is vertical.

Group -C

Answer any two of the following questions: 10x2 = 20

- 9) Define inflation. Explain demand pull and cost push inflation. What are the remedial measures of inflation?

(3)

- 10) Define unemployment. Explain the different types of unemployment is/are associated with agriculture?
- 11) Examine the effectiveness of (a) fiscal policy and (b) monetary policy in a simple IS-LM frame work.
- 12) Explain how exchange rate is determined in the mundell Fleming model.
