

2015

( 3rd Semester )

ECONOMICS

Paper No. : Eco-301

( Macroeconomics—I )

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

( PART : B—DESCRIPTIVE )

( Marks : 45 )

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

1. Define national income. Enumerate the importance of NI. 3+6=9

Or

What is social accounting? Explain flow-of-funds accounting. 3+6=9

2. "Supply creates its own demand." Elaborate the given statement. 9

Or

Explain Keynesian theory of income and employment.

3. Explain Keynes psychological law of consumption spending. 9

Or

Explain the theory of Relative Income Hypothesis.

4. Explain Keynes liquidity preference theory of interest. 9

Or

Elaborate the modern theory of interest.

5. Differentiate between autonomous and induced investment.  $4\frac{1}{2}+4\frac{1}{2}=9$

Or

Explain the working of investment multiplier. Point out the leakages of the multiplier.  $6+3=9$

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**2015**  
( 3rd Semester )

**ECONOMICS**

Paper No. : Eco-301

( **Macroeconomics—I** )

( PART : A—OBJECTIVE )

( Marks : 25 )

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

**SECTION—I**

( Marks : 15 )

**A.** Put a Tick  mark against the correct answer in the box provided : 1×10=10

1. Gross National Product-Depreciation is equal to

(a) Net National Product

(b) Gross Domestic Product

(c) Gross National Product

(d) Personal Income

2. Who developed flow-of-funds accounting?
- (a) W. C. Mitchell
  - (b) Morris A. Copeland
  - (c) R. W. Smith
  - (d) Robert Lipsey
3. The book, *General Theory of Employment, Interest and Money* was written by
- (a) Duesenberry
  - (b) Ricardo
  - (c) J. M. Keynes
  - (d) Adam Smith
4. According to Keynes theory of consumption, MPC is
- (a) less than one
  - (b) equal to one
  - (c) more than one
  - (d) None of the above

5. Marginal efficiency of capital means
- (a) the expected rate of profit
  - (b) the expected rate of wages
  - (c) the technical conditions of production
  - (d) the efficient use of capital
6. Which of the following is an objective factor influencing consumption?
- (a) Fiscal policy
  - (b) Rate of interest
  - (c) Both (a) and (b)
  - (d) Financial prudence
7. The classical theory of interest is also known as
- (a) the demand and supply theory of capital
  - (b) the demand and supply theory of savings
  - (c) the demand and supply theory of labour
  - (d) the demand and supply theory of investment

8. The demand schedule for loanable funds includes
- (a) savings
  - (b) created money
  - (c) dissaving
  - (d) idle balances
9. Investment which does not change with the changes in income level is known as
- (a) induced investment
  - (b) inventory investment
  - (c) residential investment
  - (d) autonomous investment
10. An increase in investment will shift
- (a) the IS curve upward to the right
  - (b) the IS curve downward to the left
  - (c) the LM curve upward to the left
  - (d) the LM curve downward to the right

B. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

1. In the accounting sense, the BOP remains in a state of balance.

( T / F )

2. The classical economist denied the possibility of the existence of involuntary unemployment.

( T / F )

3. According to Relative Income Hypothesis, consumption of an individual is the function of his absolute income.

( T / F )

4. The classical theory of interest assume full employment of resources.

( T / F )

5. The value of investment multiplier is the reciprocal of marginal propensity to consume.

( T / F )

## SECTION—II

( Marks : 10 )

C. Write short notes on any *five* of the following :  $2 \times 5 = 10$

1. Two difficulties in the calculation of National Income

2. Personal income

3. Effective demand

Write short notes on any two of the following : (2x5=10)

1. Two difficulties in the calculation of National Income.

4. Assumptions of classical theory of employment

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5. Components of demand and supply of loanable funds

6. Factors influencing propensity to consume

7. MEC

### 8. Effectiveness of investment multiplier in LDC's

To be filled in by the Candidate

Roll No. / Name / Div. / Sec.

\_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Examination, 2012

Answer

\_\_\_\_\_

Introduction to candidate

The following of this answer should be given to the question on the subject for evaluation (use question and give answer)

Answer should be completed in 2000 words. It should not exceed 2000 words. It should not be less than 1000 words.

The question is to be answered in 2000 words. It should not exceed 2000 words. It should not be less than 1000 words.

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Examination, 2012

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\_\_\_\_\_

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