

2016

(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. Explain the various concepts and measurements of National Income. 3+6=9

Or

Explain the Balance of Payments accounts. 9

2. Explain the classical theory of employment. 9

Or

Show how aggregate demand and supply functions determine the equilibrium level of output and employment. 9

3. Define consumption function. Explain the factors determining consumption function. 3+6=9

Or

Explain the properties of Keynes' consumption function. 9

4. Explain loanable funds theory of determination of rate of interest. 9

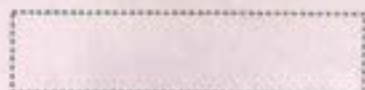
Or

Critically explain the classical theory of interest. 9

5. Define marginal efficiency of capital. Explain the factors influencing marginal efficiency of capital. 3+6=9

Or

Explain the general equilibrium with the help of I-S and L-M curves. 9



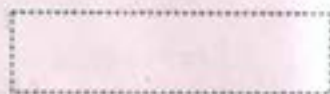
Date Stamp.....

To be filled in by the Candidate

BA / BSc / BCom / BBA / BCA
3rd Semester End Term
Examination, 2016

Subject

Paper

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3rd Semester End Term
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Roll No.

Regn. No.

Subject

Paper

DESCRIPTIVE TYPE

Booklet No. B

INSTRUCTIONS TO CANDIDATES

1. The Booklet No. of this script should be quoted in the answer script meant for descriptive type questions and vice versa.
2. This paper should be **ANSWERED FIRST** and submitted within 1 (one) Hour of the commencement of the Examination.
3. While answering the questions of this booklet, any cutting, erasing, overwriting or furnishing more than one answer is prohibited. Any rough work, if required, should be done only on the main Answer Book. Instructions given in each question should be followed for answering that question only.

Signature of
Scrutiniser(s)Signature of
Examiner(s)Signature of
Invigilator(s)

2016

(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. National Income is

- (a) income of the government
- (b) budget of the government
- (c) sum total of factor incomes
- (d) profits of the public undertaking

2. The output method of measuring National Income is also known as

- (a) value-added method
- (b) production method
- (c) industry of origin method
- (d) All of the above

3. The classical theory of employment assumes

- (a) full employment equilibrium
- (b) under-employment equilibrium
- (c) cyclical unemployment equilibrium
- (d) None of the above

4. The effective demand comprises

- (a) consumption + investment
- (b) investment + savings
- (c) consumption + production
- (d) consumption + investment + government

5. The concept of consumption function was developed by

- (a) John Keynes
- (b) Keynes
- (c) John Maynard Keynes
- (d) Milton Friedman

6. The consumption function which is not influenced by current income is

- (a) induced consumption
- (b) autonomous consumption
- (c) consumption spending
- (d) None of the above

7. Which theory is called as the neo-classical theory of rate of interest?

- (a) Keynesian theory
- (b) Liquidity preference theory
- (c) Time preference theory
- (d) Loanable funds theory

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8. According to the classical theory of interest, the equality between savings and investment is brought about by
- (a) consumption
 - (b) rate of interest
 - (c) income
 - (d) propensity to save
9. Which of the following can stimulate private investment?
- (a) Rise in the wage level
 - (b) Rise in the rate of interest
 - (c) Reduction of taxation
 - (d) None of the above
10. According to Keynes, investment depends upon
- (a) production
 - (b) consumption
 - (c) output
 - (d) business expectations

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

1. Gross National Product is the basic social accounting measure.

(T / F)

2. According to Say's law, unemployment can be removed by rise in wages.

(T / F)

3. The MPC is the rate of change in the APC.

(T / F)

4. According to the modern theory of interest, there are three determinants of the rate of interest.

(T / F)

5. Autonomous investment is income-elastic.

(T / F)

SECTION—II

(Marks : 10)

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

1. National Income

2. Flow of funds accounts

3. Say's law of market

4. Investment function

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5. Assumption of Keynes psychological law of consumption

6. Autonomous investment

7. Meaning of liquidity preference

constitutes

8. Induced investment
