2019

B.Sc.

4th Semester Examination

ECONOMICS (Honours)

Paper - C9T

(Intermediate Macroeconomics -II)

Full Marks : 60   Time : 3 Hours

The figures in the margin indicate full marks.
Candidates are required to give their answers
in their own words as far as practicable.

Group - A

1. Answer any *ten* questions :   2×10

   (a) What is Say's law ?

   (b) What is ratchet effect ?

   (c) Distinguish between repo rate and reverse repo rate.

[Turn Over]

(d) State two important features of New Keynesian system.

(e) What is bank rate ?

(f) Define classical dichotomy.

(g) What is golden rate of capital accumulation ?

(h) Write the names of two New classical economists.

(i) What do you understand by 'under-employment equilibrium' ?

(j) What is random walk of consumption expenditure ?

(k) What do you mean by endogenous growth ?

(l) What do you understand by 'interest elasticity of money demand' ?

(m) What do you mean by Velocity of Money ?

(n) What is crowding out effect ?

(o) What is liquidity trap ?

Group - B

Answer any *four* questions : 5×4

2. Briefly explain Friedman's restatement of quantity theory of money.

3. Distinguish between Keynesian and classical systems.

4. Write a short note an Acceleration Principle.

5. State the features of Regressive Expectation model.

6. Derive the steady-state growth path as presents in Solow's neoclassical one sector growth model.

7. Critically discuss how creation of credit by commercial banks can have a multiplier effect.

Group - C

Answer any *two* questions : 10×2

8. Explain the Permanent Income Hypothesis of consumption.

9. Explain Baumol's Inventory Theoretic Approach of demand for money.

[Turn Over]

10. Derive the 'Warranted rate of growth' in the Harrod-Domar growth model and briefly explain why he warranted rate of growth is unstable in this model.

11. Briefly describe the different instruments of the monetary policy of Central Bank and their Functions.

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