

TDC Even Semester Exam., 2018

ECONOMICS

( Honours )

( 2nd Semester )

Course No. : ECOH-202

( Macroeconomics—II )

Full Marks : 50

Pass Marks : 17

Time : 2 hours

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

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. (a) Discuss the process of credit creation by the commercial banks. 7
- (b) Mention the limitations of the process. 3
2. Discuss the regulatory and developmental role of the Reserve Bank of India. 5+5=10





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UNIT—II



3. (a) Define the concept of inflation. (a)
- (b) Discuss the concepts of demand-pull inflation and cost-push inflation with the help of suitable diagrams. (b)
4. (a) How will you explain the trade-off between inflation and unemployment? (a)
- (b) Write a short note on 'stagflation'. (b)

UNIT—III

5. (a) What is the meaning of 'trade cycle'? (a)
- (b) "Trade cycle is a purely monetary phenomenon." Discuss. (b)
6. (a) Explain briefly Keynes' view on the causes of trade cycle. (a)
- (b) Suggest some policy instruments to control the occurrence of trade cycle. (b)

UNIT—IV

7. (a) Explain the essential conditions for knife-edge equilibrium growth in Harrod's theory. (a)
- (b) Point out the similarities in Harrod and Domar's growth theories. (b)



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(a) Bring out the main departures that the neo-classical growth theory makes from Harrod-Domar theories. 4

(b) Derive the steady-state equilibrium condition in Solow model of economic growth. 6

### UNIT—V

9. Discuss the structure, objectives and functions of International Monetary Fund (IMF). 10

(a) Explain the functions of World Trade Organization (WTO). 5

(b) WTO has not protected the interests of the underdeveloped countries. Do you agree with this view? Justify your answer. 5

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