

TDC Odd Semester Exam., 2018

# ECONOMICS

( Pass )

( 3rd Semester )

Course No. : ECOP-301

( Macroeconomics—I )

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) Explain the uses and limitations of macroeconomics. 3+3=6
- (b) Explain briefly the relationship between national income and welfare. 4
2. (a) What is national income? What is the importance of estimating national income? 2+3=5

(2)

- (b) Make distinction between following :
- (i) Nominal GDP and Real GDP
  - (ii) NNP at current prices and NNP at constant prices

UNIT—II

3. (a) Explain clearly Say's law of markets.  
(b) Is it consistent with Fisher's quantity theory?

4. (a) Discuss the Cambridge cash balance approach to the quantity theory of money.  
(b) How far is the Cambridge cash balance approach superior to the cash transaction approach?

UNIT—III

5. Explain the role of effective demand in Keynes theory of employment.  
6. "The Keynesian theory of effective demand is the heart of modern macroeconomics." Discuss.

UNIT—IV

7. Explain the subjective and objective factors affecting consumption function.

- (a) Mention the assumptions and main leakages of investment multiplier. 5
- (b) What is acceleration? Mention three limitations of acceleration principle.  $2+3=5$

UNIT—V

- (a) Write down one basic characteristic of money. 1
- (b) State two components of money supply. 2
- (c) State the functions of money as a store of value. 2
- (d) Write short notes on the following :  $2\frac{1}{2} \times 2 = 5$
- (i) Fiat money and credit money
  - (ii) Near money and legal tender money

- (a) Discuss the functions of a Central Bank as a lender of a last resort. 5
- (b) Define the following concepts :  $2\frac{1}{2} \times 2 = 5$
- (i) Cash-reserve ratio
  - (ii) Bank rate