

TDC Even Semester Exam., 2018

ECONOMICS

(Pass)

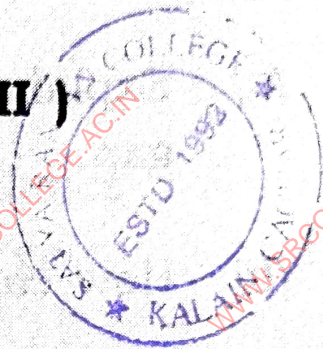
(4th Semester)

Course No. : ECOP-401

(**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, selecting **one** from each Unit

UNIT—I

(a) Briefly discuss the process of multiple credit creation by commercial banks. 6

(b) Do you think that commercial bank has got unlimited power for creating credit? Justify your answer.

2

2. (a) In which year was the Reserve Bank of India set up?

(b) What is monetary policy?

(c) Discuss the objectives of monetary policy in a developing economy.

UNIT—II

3. (a) Explain Keynesian theory of inflationary gap.

(b) How can this gap be wiped out?

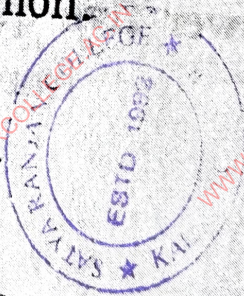
4. (a) Define deflation.

(b) "Inflation is unjust and deflation is inexpedient." Justify the statement giving your own opinion.

UNIT—III

5. (a) Explain the theory of comparative cost advantage.

(b) To what extent is Ohlin theory superior to classical theory of international trade?



- (a) What do you mean by 'terms of trade'? 2
- (b) Mention the factors that influence terms of trade. 4
- (c) Discuss any four functions of the International Monetary Fund (IMF). 4

UNIT—IV

- (a) What is rate of exchange? 2
- (b) Critically examine the balance of payments theory of exchange rate. 8
- (a) Name any two items each of (i) current account and (ii) capital account of the balance of payments. 2+2=4
- (b) Discuss the methods of correcting disequilibrium in the balance of payments. 6

UNIT—V

- (a) Distinguish between impact and incidence of a tax. 4
- (b) State the factors that determine the incidence of a tax. 6

10. (a) What is Goods and Services Tax (GST)?
- (b) What is progressive tax?
- (c) Discuss the causes of increasing public expenditure in developing economy.

