

2022/TDC(CBCS)/EVEN/SEM/
ECOHCC-201T/501

TDC (CBCS) Even Semester Exam., 2022

ECONOMICS

(Honours)

(2nd Semester)

Course No. : ECOHCC-201T

(**Introductory Macroeconomics**)

Full Marks : 70

Pass Marks : 28

Time : 3 hours

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

SECTION—A

Answer any *ten* of the following : 2×10=20

1. What are called flow variables? Give one example.
2. Define GNP_{FC} and NNP_{HP} .
3. Point out the basic principle of circular flow models.

4. Which factors have contributed to the advent of paper money?
5. Name two approaches to the definition of money.
6. What are the determinants of money supply in an economy?
7. Name the two common measures of inflation.
8. Define galloping inflation.
9. What are the different types of inflation?
10. What is called effective demand?
11. Define aggregate supply price and aggregate demand price.
12. What is underemployment equilibrium?
13. Distinguish between balance of payments and balance of trade.
14. What is called devaluation of currency?
15. Name the different elements of Current Account of BoP.

SECTION—B

Answer any five of the following : $10 \times 5 = 50$

16. (a) Explain the circular flow of income in a three-sector economy. 8
- (b) Point out two distinctions between real GDP and nominal GDP. 2

17. (a) Describe the income method of estimating national income.
- (b) Point out three precautions that must be taken in estimation of national income. 3
18. (a) What are the basic functions of money? 4
- (b) Write an essay on the significance of money in a modern economy. 6
19. (a) What is meant by liquidity trap? 2
- (b) Critically explain the Keynesian liquidity preference theory. 8
20. Describe the effects of inflation on distribution of income, economic growth and employment.
21. (a) How does inflationary spiral create high rate of inflation? 3
- (b) Discuss briefly the factors which create inflationary pressure in an economy. 7
22. (a) Show how equilibrium level of income is determined in the simple Keynesian two-sector model. 8
- (b) Does equilibrium always imply full employment? 2