

3 (Sem-1) ECO M 2

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ECONOMICS

(Major)

Paper : 1.2

(Macroeconomics—I)

Full Marks : 80

Time : 3 hours

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

1. Answer the following questions : 1×10=10

(a) Define MPC.

(b) What is the meaning of the term 'production' in economics?

(c) What is 'inventory investment'?

(d) State the Say's law.

(e) What do you mean by the term 'leverage effect'?

(f) Give the name of the revolutionary book authored by J..M. Keynes and published in 1936.

- (g) Give two names of classical economists.
- (h) What is 'net investment'?
- (i) Write two examples of government transfer payment.
- (j) What do you mean by the term 'household sector'?

2. Answer the following questions : 2×5=10

- (a) What is the difference between product flow and money flow?
- (b) Distinguish between final product and intermediate product.
- (c) Bring out the meaning of the term 'underemployment equilibrium'.
- (d) What are the determinants of marginal efficiency of capital?
- (e) Why does the aggregate demand curve slope downward?

3. Answer any *four* of the following questions (your answer should be brief) : 5×4=20

- (a) Define the concept of GDP. How does it differ from GNP?
- (b) How do you explain the behaviour of linear and non-linear consumption functions?

- (c) Show that the sum of MPC and MPS is equal to one.
- (d) Write in brief the classical production function.
- (e) Why does the MEC curve slope downward?
- (f) A firm produces output worth Rs 1,000 and pays Rs 200 for intermediate inputs and Rs 300 for hired labour. Depreciation is valued at Rs 50. Calculate the firm's gross and net value addition.

4. Answer any *four* of the following questions :

10×4=40

- (a) Describe the circular flow model in a two-sector economy. What determines the magnitude of the circular flows? 8+2=10
- (b) Why is GDP an imperfect measure of economic welfare? Justify your answer. 10
- (c) Explain briefly the simple Keynesian model of income determination, using a two-sector economy model. 10
- (d) What is a multiplier? Explain how an additional investment multiplies itself to contribute to the national income. Draw a diagram to show that $4Y > 4I$ when $MPC > 0$. 7+3=10

- (e) State and explain the technical properties of Keynesian consumption function. What are its limitations? 8+2=10
- (f) What is marginal efficiency of capital? Show the relationship between marginal efficiency of capital and marginal efficiency of investment. 2+8=10
- (g) State and explain the major components of national income. Show the relationship between GDP and the four major components of national income, using an appropriate equation. 8+2=10
- (h) Explain the interaction between multiplier and accelerator. How far is it possible to provide a satisfactory explanation of trade cycle on its basis? 8+2=10

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EDUCATION

(Major)

Paper : 1.1

(Foundation of Educational Theories
and Principles)

Full Marks : 80

Time : 3 hours

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

1. Choose the correct answer : 1×5=5

(a) Education as a tripolar process was propounded by

(i) Adams

(ii) John Dewey

(iii) Butler

(iv) T. P. Nunn