

Total number of printed pages—4

63 (FY)SEM-3/MAJ/ECOMAJ2024

2024

ECONOMICS

Paper : ECOMAJ2024

(Introductory Macroeconomics)

Full Marks : 70

Pass Marks : 28

Time : Three hours

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

1. Choose the correct answer : $1 \times 6 = 6$
- (i) Which is the most liquid measure of Money Supply ?
- (a) M1
 - (b) M2
 - (c) M3
 - (d) M4

Contd.

- (ii) National Income is a :
- Stock Concept
 - Flow Concept
 - Cross-section Analysis
 - All of the above
- (iii) Two-sector economy consists of :
- Household, Government
 - Household, Firms
 - Firms, Foreign Sector
 - Firms, Government
- (iv) Market price will be equal to Factor Cost when
- Indirect Taxes are Zero
 - Indirect Taxes are equal to Subsidies
 - No Indirect Tax and No Subsidies
 - Both (b) and (c)
- (v) Depreciation means :
- Destruction of a plant in a fire accident
 - Loss of fixed assets over time due to wear & tear
 - Loss of fixed assets in an earthquake
 - Closure of the plant due to lockout

- (vi) Which of the following is an intermediate product ?
- Purchase of pulses by consumers
 - Machine purchased by a firm
 - Wheat used by a flour mill
 - Wheat used by households

2. Answer the following questions : **(any five)**
2×5=10

- Define Monetary Policy.
- What is meant by Open Market Operations (OMO)?
- Define Phillips Curve.
- What is GDP Deflator?
- Define Natural Rate of Unemployment.
- Define Investment.
- What do you mean by disguised unemployment?

3. Answer the following questions : **(any six)**
5×6=30

- Explain the Credit Creation process of commercial bank with the help of suitable example.
- Explain the functions of Central Bank.
- Distinguish between final goods and intermediate goods.

- iv. Explain the circular flow of income in a three-sector economy with the help of a diagram.
- v. Explain the Expenditure Method of Calculating National Income.
- vi. Explain the different types of Unemployment with example.
- vii. Explain the various measures of money supply in India.
- viii. Explain the various causes of inflation.
- ix. Briefly explain the different components of GDP.

4. Answer the following questions : *(any two)*
 $12 \times 2 = 24$

- i. Define macroeconomics. Discuss the scope of macroeconomics. $2+10=12$
- ii. Explain the Value Added Method and Income Method of calculating National Income. $6+6=12$
- iii. Discuss the shortrun and long-run phenomena of the Phillips Curve with the help of diagram. $6+6=12$
- iv. Discuss the Quantitative and Qualitative tools of the Reserve Bank of India in controlling money supply and interest rates in the economy.