

Total number of printed pages - 4

63 (FY)SEM-3/MAJ/ECOMAJ2024

2025

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 : 1×6=6
- (i) Which economist is known as the father of modern macroeconomics ?
- (a) Adam Smith
 - (b) David Ricardo
 - (c) John Maynard Keynes
 - (d) Karl Marx
- (ii) The components of GDP in the expenditure approach are :
- (a) $C + I + G + (X - M)$
 - (b) $C + S + T$

- (c) $Y + W + R + I + P$
 (d) $C + I + G$ only
- (iii) Cost-push inflation is caused by :
 (a) Increase in aggregate demand
 (b) Increase in production costs
 (c) Increase in productivity
 (d) Decrease in money supply
- (iv) Which of the following is not a function of money ?
 (a) Medium of exchange
 (b) Store of value
 (c) Measure of national income
 (d) Standard of deferred payment
- (v) Broad money (M3) includes :
 (a) Currency with the public only
 (b) M1+Time deposits with banks
 (c) Only demand deposits
 (d) Cash reserves of banks
- (vi) The Phillips Curve shows the relationship between :
 (a) Money supply and interest rate
 (b) Inflation and unemployment
 (c) GDP and investment
 (d) Savings and consumption

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

- (a) Differentiate between Microeconomics and Macroeconomics.
 (b) Define Disposable Income.
 (c) What is the difference between GDP and GNP ?
 (d) Define Money.
 (e) What is Frictional Unemployment ?
 (f) Distinguish between Creeping Inflation and Hyperinflation.
 (g) What is the Natural Rate of Unemployment ?

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

- (a) Describe the role of government in achieving macroeconomic stability.
 (b) Differentiate between Gross National Product (GNP) and Net National Product (NNP).
 (c) Describe the circular flow of income in a two-sector economy.
 (d) Distinguish between Nominal GDP and Real GDP.
 (e) Differentiate between demand-pull and cost-push inflation with examples.

- (f) Explain the functions of money in detail.
- (g) What is stagflation? Discuss its features and implications for the economy. 2+3=5
- (h) Explain the different types of inflation.
- (i) Briefly explain the inflation-unemployment trade-off.

4. Answer **any two** of the following question:

12×2=24

- (a) Explain the meaning, nature, and scope of Macroeconomics. Discuss its importance in modern economic analysis. 9+3=12
- (b) Explain in detail the Income, output, and Expenditure methods of calculating national income. Which method is most suitable for developing countries like India and why? 9+3=12
- (c) Explain in detail the quantitative and qualitative methods of credit control used by the central bank.
- (d) Define inflationary gap. What are the causes of inflation? Explain the measures to control inflation.

2+4+6=12