

**2023/TDC(CBCS)/EVEN/SEM/
ECOHCC-201T/153**

TDC (CBCS) Even Semester Exam., 2023

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* questions :

2×10=20

1. What is macroeconomics?
2. Write two differences between real GDP and nominal GDP.
3. What is NNP at factor cost?
4. Define High Powered Money.

5. Mention any functions of money in a modern economy.
6. What is liquidity trap?
7. Write two characteristics of inflation.
8. What is stagflation?
9. Mention two differences between open inflation and suppressed inflation.
10. What are the components of aggregate demand?
11. Define investment multiplier.
12. What is paradox of thrift?
13. Write two differences between autonomous and accommodating transactions in balance of payments.
14. Define BOP deficit.
15. Distinguish between BOT and BOP.

SECTION—B

Answer any *five* questions :

10×5=

16. (a) "Macroeconomics deals with the aggregate economic variables of an economy." Explain the statement.
- (b) Write a note on circular income flow in a two-sector economy.

17. What is GDP? Discuss different methods of calculating national income. 2+8=10
18. (a) Explain credit creation process in multiple banking system. 6
(b) What are the limitations of commercial banks to create credit? 4
19. (a) What are the different measures of money supply? 5
(b) Explain the determinants of money supply. 5
20. (a) "Too much money chasing too few goods." Explain the statement. 2
(b) Discuss the macroeconomic policies to combat inflation. 8
21. (a) Explain demand pull and cost push inflation. 6
(b) Discuss the effects of inflation on production. 4
22. (a) How does Keynes criticise the classical theory of employment? 4
(b) Explain the principle of effective demand with the help of diagram. 6

(Turn Over)

23. "IS-LM model shows equilibrium point of interest rate and output when money markets and the real economy are in balance." Explain with diagram.
24. (a) Outline the different components of Balance of Payments.
(b) Differentiate between devaluation and depreciation.
25. What are the causes of BOP deficit? Suggest correction measures of BOP deficit. 5+5=

★ ★ ★