Student's Copy

2024

(CBCS)

(4th Semester)

ECONOMICS

FOURTH PAPER

(**Macroeconomics—II**)

Full Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

(SECTION : A—OBJECTIVE)

(*Marks* : 10)

Tick (✓) the correct answer in the brackets provided :   1×10=10

1. The most important feature of money is

    (a) general acceptability   (   )

    (b) convertibility into gold   (   )

    (c) store of value   (   )

    (d) medium of exchange   (   )

2. High-powered money is

    (a) the sum of the central bank reserves and currency (notes and coins) held by the Government   (   )

    (b) the sum of commercial bank reserves and currency (notes and coins) held by the Government   (   )

    (c) the sum of commercial bank reserves and currency in circulation   (   )

    (d) All of the above   (   )

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3. In what way the Central Bank serves as a Banker's Bank?
    (a) By maintaining gold reserve   (   )
    (b) By controlling currency   (   )
    (c) By acting as a lender of the last resort   (   )
    (d) By reducing the interest rates   (   )

4. The open market operation aims at
    (a) regulation of the use of credit   (   )
    (b) sale and purchase of Government securities   (   )
    (c) determination of cash reserves of bank   (   )
    (d) switch operations   (   )

5. Stagflation implies a situation of
    (a) low inflation and low unemployment   (   )
    (b) low inflation and high unemployment   (   )
    (c) high inflation and high unemployment   (   )
    (d) high inflation and low unemployment   (   )

6. During the phases of recession of a trade cycle
    (a) investment, income, employment and demand decline   (   )
    (b) investment falls but income rises   (   )
    (c) income, employment and investment rise   (   )
    (d) None of the above   (   )

7. Phillips' curve shows the relationship between the rates of
    (a) unemployment and output growth   (   )
    (b) unemployment and increase in money wages   (   )
    (c) employment and inflation   (   )
    (d) All of the above   (   )

8. Which of the following measures proves effective in reducing the rate of inflation?
    (a) Decreased personal consumption   (   )
    (b) Evaluation of currency   (   )
    (c) Increased taxation   (   )
    (d) All of the above   (   )

9. The concept of economic growth is more relevant for

    (a) developed countries   (   )

    (b) underdeveloped countries   (   )

    (c) Asian countries   (   )

    (d) European countries   (   )

10. Neo-classical growth model considered two-factor production function with

    (a) technology and output   (   )

    (b) capital and labour   (   )

    (c) labour and technology   (   )

    (d) capital and output   (   )

(SECTION : B—SHORT ANSWERS)

(Marks : 15)

Write short notes on the following :   3×5=15

UNIT—I

1. Advantages of paper money

OR

2. Gresham's law

UNIT—II

3. Statutory Liquidity Ratio (SLR)

OR

4. Cash Reserve Ratio (CRR)

UNIT—III

5. Concept of accelerator

OR

6. Phases of trade cycle

UNIT—IV

7. Difference between cost-push inflation and demand-pull inflation

OR

8. Inflation and deflation

UNIT—V

9. Indicators of economic development

OR

10. Economic growth and economic development

(SECTION : C—DESCRIPTIVE)

(Marks : 50)

Answer the following :   10×5=50

UNIT—I

1. Critically examine the quantity theory of money (QTM) with reference to Fisher's transaction approach.   10

OR

2. What is money? Explain different functions of money.   2+8=10

UNIT—II

3. What is a central bank? Describe the various instruments used by the central bank to control credit.   3+7=10

OR

4. Define commercial bank. Discuss the functions of commercial bank. 3+7=10

UNIT—III

5. What are the characteristics of trade cycle? Suggest remedial measures to control cyclical fluctuations in the economy.   3+7=10

OR

6. Discuss Hawtrey's pure monetary theory of trade cycle.   10

UNIT—IV

7. Discuss the effects of inflation on the economy.   10

OR

8. What are the major causes of inflation? Explain briefly the various measures to control inflation in the economy.   4+6=10

UNIT—V

9. Critically explain the Harrod-Domar model of economic growth.   10

OR

10. Critically explain the Solow's model of economic growth.

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(CBCS)

(2nd Semester)

ECONOMICS

SECOND PAPER

(Microeconomics—II)

Full Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions

(SECTION : A—OBJECTIVE)

(*Marks* : 10)

Tick (✓) the correct answer in the brackets provided :   1×10=10

1. The iron law of wages is the

    (a) marginal productivity theory of wages   (   )

    (b) wage fund theory   (   )

    (c) subsistence theory of wages   (   )

    (d) wage differentials   (   )

2. Risk bearing theory of profit was propounded by

(a) Prof. Taussig ( )

(b) J. B. Say ( )

(c) Prof. Knight ( )

(d) Prof. Hawley ( )

3. The market, where services of factors of production are bought and sold refers to

(a) product market ( )

(b) commodity market ( )

(c) stock market ( )

(d) factor market ( )

4. In a monopsony market, there is/are

(a) single seller ( )

(b) single buyer ( )

(c) large number of buyers and sellers ( )

(d) two sellers ( )

5. Welfare economics is generally accepted as

    (a) positive science   ( )

    (b) normative science   ( )

    (c) static economic   ( )

    (d) None of the above   ( )

6. Kaldor-Hicks compensation principal can be explained with the help of

    (a) Kuznets curve   ( )

    (b) equal product curve   ( )

    (c) utility possibility curve   ( )

    (d) indifference curve   ( )

7. If interest rate rises, the present value of any future earnings is bound to

    (a) fall   ( )

    (b) rise   ( )

    (c) suffer from inflation   ( )

    (d) increase in risk   ( )

8. The period of time required to recover the initial cost of investment is called

    (a) payback period   ( )

    (b) cost-benefit analysis   ( )

    (c) interest rate of return   ( )

    (d) annual average rate of return   ( )

9. The comparative theory of international trade was first formulated by

    (a) Adam Smith   ( )

    (b) Bertil Ohlin   ( )

    (c) David Ricardo   ( )

    (d) P. A. Samuelson   ( )

10. Import quota implies

    (a) duty imposed by the government on the goods traded   ( )

    (b) physical limitation of quantities of goods traded to other countries   ( )

    (c) physical limitation of quantities of goods traded from other countries   ( )

    (d) physical limitation of quantities of goods traded within the country   ( )

(SECTION : B—SHORT ANSWERS)

(Marks : 15)

Write short notes on the following :   3×5=15

UNIT—I

1. Wage differential

   OR

2. Quasi rent

UNIT—II

3. Bilateral monopoly

   OR

4. Derived demand

UNIT—III

5. Value judgement

   OR

6. Concept of welfare economics

UNIT—IV

7. Payback period

   OR

8. Net present value

UNIT—V

9. Opportunity cost

   OR

10. Concept of tariff

(SECTION : C—DESCRIPTIVE)

(Marks : 50)

Answer the following :   10×5=

UNIT—I

1. Discuss the marginal productivity theory of distribution.

OR

2. Critically explain the Keynesian theory of interest.

UNIT—II

3. Explain how a firm attains equilibrium with a single-variable factor.

OR

4. Give an explanation of how equilibrium is attained in a factor market.

UNIT—III

5. Give a brief explanation of Pareto's criterion of social welfare.

OR

6. Critically discuss Kaldor-Hicks compensation principle.

UNIT—IV

7. Discuss the internal rate of return method of evaluating an investment project.

OR

8. Discuss the elements of social cost-benefit analysis.

9. Critically explain the absolute advantage theory of international trade.

OR

0. Discuss Heckscher-Ohlin theory of international trade.

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