

2/EH-16 (ii) (Syllabus-2015)

2 0 1 8

(April)

ECONOMICS

(Elective/Honours)

(Macroeconomics)

Marks : 75

Time : 3 hours

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

Answer **five** questions, taking at least **one**
from each Unit

UNIT—I

1. Distinguish between national income at market price and national income at factor cost. How do you measure national income by the income and expenditure methods?

3+12=15

2. Explain the circular flow of income in a four-sector economy.

15

(2)

UNIT—II

3. Critically discuss the Keynesian theory of income and employment. 15
4. What is consumption function? What is saving function? Show the relationship between APC and MPC with suitable illustrations. 5+5+5=15

UNIT—III

5. Explain how commercial banks create money through their lending operations. Mention the various factors that limit the credit creation power of banks. 10+5=15
6. What do you understand by inflation? What are the causes of inflation? Discuss various measures to control inflation. 3+6+6=15

UNIT—IV

7. What is a trade cycle? What are the various characteristics of a trade cycle? Discuss Keynes' view on trade cycle. 2+4+9=15

8D/1702

(Continued)

(3)

8. Distinguish between balance of trade and balance of payments. What are the causes of disequilibrium in the balance of payments? Explain the measures that a country can adopt to correct an adverse balance of payments situation. 5+5+5=15

8D—7600/1702

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