

**TDC Odd Semester Exam., 2020  
held in July, 2021**

ECONOMICS

( Pass )

( 3rd Semester )

Course No. : ECOP-301

( Macroeconomics—I )

*Full Marks : 50*

*Pass Marks : 17*

*Time : 2 hours*

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

Answer **five** questions, selecting **one** from each Unit

UNIT—I

1. (a) Explain the uses and limitations of macroeconomics. 3+3=6
- (b) Define the following concepts : 2+2=4
  - (i) Gross National Product (GNP)
  - (ii) Gross Domestic Product (GDP)

2. (a) What is national income? What is the importance of estimating national income? 2+3=5
- (b) What is GNP deflator? 2
- (c) Make distinction between the Nominal GDP and Real GDP. 3

UNIT—II

3. (a) What are the assumptions of classical theory of employment? Point out three limitations of classical theory of employment. 2+3=5
- (b) Explain clearly Say's law of markets. 5
4. (a) Explain the Fisher's version of quantity theory of money. 6
- (b) How far is the Cambridge cash balance approach superior to the cash transaction approach? 4

UNIT—III

5. (a) Write down the important assumptions of Keynesian theory of employment. Mention its three limitations. 3+3=6
- (b) Define under-employment equilibrium. 4

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6. (a) How does effective demand work to determine the level of employment? 5  
(b) Do you think that Keynesian theory is applicable to a developing economy like India? Give reasons in support of your answer. 5

UNIT—IV

7. Explain the subjective and objective factors affecting consumption functions. 10
8. (a) State Keynes' psychological law of consumption. What are the assumptions of the law? 3+2=5  
(b) Mention the assumptions and main leakages of investment multiplier. 5

UNIT—V

9. (a) Write down one basic characteristic of money. 1  
(b) State two components of money supply. 2  
(c) State the functions of money as a store of value. 2  
(d) Discuss the significance of Central Bank to the overall economic development of a country. 5

( 4 )

10. (a) What is money? Point out the advantages and disadvantages of money. 1+2+2=5  
(b) Define the following concepts : 2½×2=5  
(i) Cash reserve ratio  
(ii) Bank rate

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