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**2 SEM TDC ECOH (CBCS) C 3**

**2025**

( May )

**ECONOMICS**

( Core )

Paper : C-3

**( Introductory Macroeconomics )**

Full Marks : 80

Pass Marks : 32

Time : 3 hours

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

1. Answer the following as directed : 1×8=8

(a) Which of the following is not a subject matter of macroeconomics?

(i) Theory of income and employment

(ii) National income

(iii) Consumer equilibrium

(iv) Economic growth

(Choose the correct answer)

(b) What is meant by 'leakage' in circular flow of income?

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(c) Which one of the following is a monetary measure to control inflation?

- (i) High rate of taxation
- (ii) Reduction of public expenditure
- (iii) Bank rate
- (iv) None of the above

(Choose the correct answer)

(d) The basic assumption of Keynesian theory is

- (i) full employment
- (ii) less than full employment
- (iii) over-employment
- (iv) None of the above

(Choose the correct answer)

(e) What do you mean by speculative demand for money?

(f) Suppose a country's aggregate household income is ₹ 10 crore and consumption is ₹ 7.5 crore. What is the average propensity to consume?

- (i) 0.75
- (ii) 75
- (iii) 1.33
- (iv) 7.5

(Choose the correct answer)

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(g) What do you mean by hyperinflation?

(h) Name one factor that causes shifts in the LM curve function.

2. Write short notes on any *four* of the following (within 150 words each) : 4×4=16

- (a) Limitations of macroeconomics
- (b) Expenditure method of measuring national income
- (c) Supply of money
- (d) Inflationary gap
- (e) Say's law of market

Answer the following questions (within 500 words each) :

3. (a) Distinguish between micro- and macro-economics. Discuss the nature of macroeconomics. 6+6=12

Or

(b) Explain various concepts related to national income and show their inter-relationship. 12

4. (a) Define National Income. Explain the difficulties occur in the computation of National Income in developing countries like India. 2+9=11

Or

- (b) Explain the value-added method of computing GDP. Mention its advantages and disadvantages. 6+5=11

5. (a) Critically explain the Fisher's quantity theory of money. 11

Or

- (b) What do you mean by demand for money? Explain the Keynesian approach to demand for money. 2+9=11

6. (a) What are demand-pull inflation and cost-push inflation? Discuss the fiscal measures to tackle demand-pull inflation. 6+5=11

Or

- (b) Define trade cycle. Explain the various stages of trade cycle with proper diagrams. 2+9=11

7. (a) What is effective demand? Explain the simple Keynesian model of income determination. 2+9=11

Or

- (b) Define LM curve. Derive it graphically and explain the relationship between the interest rate and income level with the help of LM curve. 2+9=11

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