

**2021**

**ECONOMICS-II — HONOURS**

**Paper : C-21-A**

**Full Marks : 50**

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**Group - A**

**1. Answer the following questions :**

**2×4**

- (a) Mention any two scope of Macroeconomics.
- (b) What is the difference between stock and flow?

**Or,**

What is the difference between nominal GDP and real GDP?

- (c) Write any two features of Keynesian consumption function.
- (d) Name the different methods of measurement of national income.

**Or,**

What is the difference between NNP at market price and NNP at factor cost?

**Group - B**

**2. Answer the following questions :**

- (a) Show with the help of a diagram how equilibrium income is determined in simple Keynesian model.

**6**

**Or,**

If  $C = 200 + 0.8Y$ ,  $I = 150$ ,  $G = 50$ , find the equilibrium level of income and consumption. Here, C is consumption, Y is level of income, I denotes investment, G is government expenditure and all items are in rupees.

**6**

- (b) What is LM curve? How is it derived? **2+4**
- (c) Discuss briefly the circular flow of income in a two sector model. **6**
- (d) Write a short note on crowding-out-effect. **6**

**Or,**

Discuss in the context of IS-LM model the effectiveness of fiscal policy on equilibrium level of income.

**6**

**Please Turn Over**

- (e) Explain the Keynesian theory of demand for money. 6

**Or,**

What are the different measures of money supply? 6

**Group - C**

3. Explain the concept of inflation. Mention the limitations of different policies in controlling inflation. 4+8

**Or,**

What are the effects of inflation? Do you think that inflation is helpful for the fixed income people.  
10+2

---