

2024

MACROECONOMICS — HONOURS

Paper : DSE-5.1 AH

(Module - I)

Full Marks : 40

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. (a) Distinguish between stock and flow. 2
- Or,*
- (b) Distinguish between Capital good and Intermediate good. 2

Group - B

Answer the following questions.

2. (a) What adjustments are required to arrive at the figure of Net National Product at factor cost, given Gross National Product at market prices?
- (b) From the following information find Net Factor Income from Abroad (NFIA) :
 $GDP_{FC} = 5000$; Depreciation = 200; Net Indirect Tax = 300, $NNP_{MP} = 5500$. 2+4
- Or,*
- Explain graphically the circular flow of income in a two sector economy. 6
3. What do you mean by involuntary unemployment? Do you think that full employment mean zero unemployment? Comment with reason. Define seasonal and disguised unemployment. 2+1+3
- Or,*
- Derive money multiplier and show its relationship with high powered money. 6
4. Diagrammatically explain the concept of 'Cost-Push inflations' in the economy. 6
- Or,*
- Explain the concept of inflationary gap with the help of a diagram. Can inflationary gap be removed? 4+2

Please Turn Over

(0554)

Group - C

Answer the following questions.

5. For a closed economy with a Keynesian short-run consumption function and an autonomous investment expenditure, represent the equilibrium graphically. How can you express the same equilibrium by saving-investment equality? 6+4

Or,

- (a) Consider a Simple Keynesian model with investment as autonomous expenditure. Show how an increase in investment expenditure produces a magnified impact on equilibrium income.
- (b) Mention the possible sources of leakages in the multiplier mechanism.
- (c) A consumption function is given by $C = 100 + 0.8Y$. How much additional investment is required to increase income by ₹ 500 crores? 5+2+3
6. What will be the shape of the curve showing equilibrium in the money market, when the supply of money is exogeneously given? How will the curve shift in the event of an increase in the money supply? 7+3
-