

2025

## MACROECONOMICS — HONOURS

Paper : DSE-5.1AH

(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. Mention any two objectives of Macroeconomics. 2

*Or*

- Explain the concept of flow variable. 2

## Group - B

2. Calculate national income from the following data : 6

Item	₹ (in crore)
Gross value of output produced in the economy at market price	5,000
Net factor income from abroad	-100
Indirect taxes	150
Subsidy payment	50
Consumption of fixed capital	25

*Or*

- (i) If net factor income from abroad is negative, what will be the relationship between GNP and GDP?
- (ii) Discuss the value added method of estimation of national income. 2+4
3. Show that the value of balanced budget multiplier in Simple Keynesian Model is equal to unity. Can you provide an intuitive explanation of this value? 4+2
4. Is it possible that in spite of increase in personal savings, national income and savings come down? What is frictional unemployment? 4+2

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**C(5th Sm.)-Macroeconomics-H/DSE-5.1AH (Mod.-I)/CBCS** (2)

*Or*

Suppose consumption function and investment function of an economy be  $C=100+0.8Y$  and  $I=50$  respectively. Determine the level of savings at equilibrium level of national income. 6

**Group - C**

5. In the frame work of IS-LM curve analysis when will (a) fiscal policy be alone effective and (b) monetary policy be alone effective in increasing level of national income. 5+5
6. Distinguish between demand pull inflation and cost push inflation. Why cost push inflation is difficult to control? 6+4

*Or*

Explain briefly the uses of monetary and fiscal policies to control inflation. 6+4

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