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( 3rd Semester )

**ECONOMICS**

Paper No. : ECO-301

**( Macroeconomics—I )**

Full Marks : 70

Pass Marks : 45%

Time : 3 hours

( PART : B—DESCRIPTIVE )

( Marks : 45 )

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

1. Explain the various methods of measuring the national income of a country. 9

*Or*

Explain the concept of circular flow of income accounting. 9

2. Define effective demand. Explain how effective demand influences the level of employment and output. 3+6=9

*Or*

Explain the classical theory of employment. 9

3. Critically explain the relative income hypothesis theory. 9

*Or*

Define consumption function. Explain the factors determining consumption function. 3+6=9

4. Give a critical explanation on the liquidity preference theory of interest. 9

*Or*

Critically explain the loanable funds theory of interest. 9

5. Explain the working of investment multiplier. Point out the leakages of the multiplier. 6+3=9

*Or*

Explain the general equilibrium with the help of the IS and LM curves. 9

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