

**Ba/Eco-301 (N & O)**

**2023**

( Old Course )  
( 3rd Semester )

**ECONOMICS**

Paper No. : ECO-301 (New & Old)

( **Macroeconomics—I** )

Full Marks : 70      Pass Marks : 45%

Time : 3 hours

( PART : B—DESCRIPTIVE )

( Marks : 45 )

*The questions are of equal value*

UNIT—I

1. Explain in brief the various methods of measuring national income.

**OR**

2. Explain the Balance of Payments Account.

( 2 )

UNIT—II

3. Critically examine Say's law of market.

**OR**

4. Discuss the Keynesian theory of determination of equilibrium level of income and employment.

UNIT—III

5. Explain Keynes psychological law of consumption with its implications.

**OR**

6. Distinguish between average propensity to consume and marginal propensity to consume.

UNIT—IV

7. Critically examine the classical theory of interest.

**OR**

8. Explain the Keynesian theory of interest.

UNIT—V

9. Explain the concept of MEC as an important factor to induce investment.

**OR**

10. Explain the concept of investment multiplier in the context of less developed countries.

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( Old Course )

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**ECONOMICS**

Paper No. : ECO-301 (New & Old)

**( Macroeconomics—I )**

( PART : A—OBJECTIVE )

( Marks : 25 )

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

**SECTION—I**

( Marks : 15 )

**A.** Put a Tick (✓) mark against the correct answer in the brackets provided : 1×10=10

1. In the circular flow of income, which of the following is an injection?

- (a) Savings ( )
- (b) Taxation ( )
- (c) Investment ( )
- (d) Imports ( )

2. Which of the following is not an implication of Say's law of market?

- (a) Supply creates its own demand ( )
- (b) Presence of involuntary unemployment ( )
- (c) Automatic adjustment of economic elements ( )
- (d) Absence of general overproduction ( )

3. National income is

- (a) income of the government ( )
- (b) budget of the government ( )
- (c) sum total of factor incomes ( )
- (d) profits of the public undertakings ( )

4. Who is the author of the book, *The General Theory of Employment, Interest and Money*?

- (a) Duesenberry ( )
- (b) Ricardo ( )
- (c) J. M. Keynes ( )
- (d) Adam Smith ( )

5. Which of the following is the monetary theory of interest?
- (a) Saving-Investment theory ( )
  - (b) Loanable funds theory of interest ( )
  - (c) Liquidity preference theory of interest ( )
  - (d) Modern theory of interest ( )
6. Closed Laissez-Faire capitalist economy without foreign trade is the postulate of
- (a) classical economic theory ( )
  - (b) neo-classical economic theory ( )
  - (c) modern economic theory ( )
  - (d) Keynesian economic theory ( )
7. The consumption function which is not influenced by current income is
- (a) induced consumption ( )
  - (b) autonomous consumption ( )
  - (c) consumption spending ( )
  - (d) None of the above ( )

8. What is true about IS curve?
- (a) It expresses equilibrium in monetary sector ( )
  - (b) It expresses equilibrium in real sector ( )
  - (c) Shifting towards right shows decline in income ( )
  - (d) The level of income is high at higher interest rate ( )
9. Which of the following does not affect the marginal efficiency of capital?
- (a) Changes in income level ( )
  - (b) Expected demand ( )
  - (c) Price level ( )
  - (d) Savings ( )
10. Investment which does not change with the changes in income level is known as
- (a) induced investment ( )
  - (b) inventory investment ( )
  - (c) residential investment ( )
  - (d) autonomous investment ( )

( 5 )

B. State whether the following statements are *True (T)* or *False (F)* by putting a Tick (✓) mark : 1×5=5

1. The classical theory of interest assumes full employment of resources.

( T / F )

2. That part of personal income which is left behind after payment of personal direct taxes is called disposable personal income.

( T / F )

3. Consumption function expresses the relation between income and investment.

( T / F )

4. The real theory of interest is related to J. M. Keynes.

( T / F )

5. MPC is positive but less than one.

( T / F )



( 6 )

SECTION—II

( Marks : 10 )

C. Write short notes on any *five* of the following :  $2 \times 5 = 10$

1. Social accounting

( 7 )

2. Investment multiplier

3. Effective demand

4. Liquidity trap

( 10 )

5. Balance of Trade

6. Autonomous investment

( 12 )

7. Consumption function

8. Relative income hypothesis

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