

2024

(FYUGP)

(4th Semester)

ECONOMICS

(Major)

Paper Code : EC4.CC8

(**Intermediate Macroeconomics—I**)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

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

1. What do you mean by consumption function?
Explain diagrammatically the distinction
between average propensity to consume and
marginal propensity to consume. 5+10=15

Or

Explain Keynes' psychological law of
consumption. What are its implications?
10+5=15

(2)

2. What is marginal efficiency of capital? Explain the factors influencing marginal efficiency of capital. 5+10=15

Or

What is investment multiplier? Explain its working. 5+10=15

3. Explain critically the classical theory of interest. 15

Or

Critically explain the liquidity preference theory of interest.

4. Explain critically Hawtray's monetary theory of trade cycle. 15

Or

Critically explain Hick's model of trade cycle.

5. Explain Mundell-Fleming model of open economy. 15

Or

Explain Dornbusch's overshooting model of open economy.
