2025

(FYUGP)

(3rd Semester)

ECONOMICS

(Multidisciplinary Course)

Paper Code : EC3.MDC

(Elementary Macroeconomics)

Full Marks : 37.5 *Pass Marks* : 40%

Time : 2 hours

(PART : B– DESCRIPTIVE)

(*Marks* : 25)

The questions are of equal value

Answer any *five* from the following question : (5x5=25)

1. Discuss the objectives of macroeconomic policy.

2. Differentiate between Microeconomics and Macroeconomics.

3. Explain the components of economic activities.

4. Show how circular flow of income functions in a two sector economy.

5. Discuss the circular flow of income in three sector economy with illustration.

6. Elaborate how demand pull caused inflation.

7. Elucidate the effects of inflation on redistribution of income and wealth.

8. Discuss the fiscal measures to control inflation.

2025

(FYUGP)

(3rd Semester)

ECONOMICS

(Interdisciplinary Course)

Paper Code : EC3.MDC

(Elementary Macroeconomics)

(PART : A – OBJECTIVE)

SECTION-I

(*Marks*: 12.5)

The figures in the margin indicate full marks for the questions

A. Put a Tick (✓) mark against the correct answers in the brackets provided : ½ x15 = 7.5

1. Inflation is a study of

(a) Macroeconomics ( )

(b) Microeconomics, ( )

(c) Both macroeconomics and Microeconomics ( )

(d) None of the above ( )

2. The word Makros which means large is derived from

   (a) Latin ( )

   (b) Germen ( )

   (c) Greek ( )

   (d) English ( )

3. Keynes said that full employment may be desirable but;

   (a) Not necessary ( )

   (b) Impossible to achieve ( )

   (c) Always automatic ( )

   (d) All of the above ( )

4. "National Income is the net output of commodities and services flowing during the year from the country's productive system in the hands of ultimate consumers"

   (a) Kuznets ( )

   (b) Alfred ( )

   (c) Pigou ( )

   (d) Marshall ( )

5. NNP is

   (a) GNP - Taxes ( )

   (b) GDP - Depreciation ( )

   (c) GNP - Depreciation ( )

   (d) GDP - Factor cost ( )

6. Personal Income is

(a) Private income - undistributed profits - corporation tax ( )
(b) Private income - undistributed profits + corporation tax ( )
(c) Private income + undistributed profits - corporation tax ( )
(d) None of the above ( )

7. In two sector economy model under circular flow of income

(a) Government and Business ( )
(b) Government and Households ( )
(c) Business and Households ( )
(d) All of the above ( )

8. Which one of the following plays an important role in three sector model of circular flow of income?

(a) Subsidy ( )
(b) Expenditure ( )
(c) Income ( )
(d) Taxes ( )

9. A household in a two sector model is essentially a unit of

(a) Investment ( )
(b) Consumption ( )
(c) Production ( )
(d) All of the above ( )

10. ₹ 1 is issued by

a) State Bank of India ( )

b) Reserve Bank of India ( )

c) Commercial banks ( )

d) Any nationalised bank ( )

11. Bank rate is determined by

a) State Bank of India ( )

b) Commercial banks ( )

c) RBI ( )

d) None of the above ( )

12. Inflation of above 25% per month is called

a) Hyper-inflation ( )

b) Galloping inflation ( )

c) Suppressed inflation ( )

d) All of the above ( )

13. Demand pull inflation leads to

a) Higher price level ( )

b) Lower price level ( )

c) Higher unemployment ( )

d) None of the above ( )

14. When price and unemployment increases simultaneously, it is called

a) Inflation ( )

b) Stagflation ( )

c) Deflation ( )

d) Reflation ( )

15. Inflation around 3% increase in price level per year is called

a) Hyper-inflation ( )

b) Galloping inflation ( )

c) Creeping inflation ( )

d) Walking inflation ( )

SECTION-II

B. Give short answers (**any *five***) : 1x 5=5

1. Define inflation.

2. Stagflation.

3. Rationing.

4. GNP.

5. Disposable income.

6. Capital accumulation.

7. Rate of interest.

8. Bank Rate.

9. Open market operation.