Ba/Eco—401

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(4th Semester)

ECONOMICS

Paper : Eco—401

(Macroeconomics—II)

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*

UNIT—I

1. *(a)* Define money. Explain the various
functions of money.   2+7=9

Or

(b) Discuss Fisher's version of the quantity
theory of money.   9

UNIT—II

2. (a) What are commercial banks? Explain the functions of a commercial bank. 2+7=9

Or

(b) Explain the qualitative credit control methods of the RBI. 9

UNIT—III

3. (a) Define money supply. Discuss the determinants of money supply of a country. 2+7=9

Or

(b) Explain money multiplier approach to money supply. 9

UNIT—IV

4. (a) What is inflation? Discuss the various measures to control the inflation in the economy. 2+7=9

Or

(b) Explain how Phillips curve relates unemployment and inflation in the economy. 9

UNIT—V

5. (a) What is trade cycle? Describe the nature and characteristics of a trade cycle. 2+7=9

Or

(b) Critically explain Hawtrey's monetary theory of trade cycle. 9

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2025

(4th Semester)

ECONOMICS

Paper : Eco–401

(Macroeconomics—II)

(PART : A—OBJECTIVE)

(Marks : 25)

The figures in the margin indicate full marks for the questions

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

1. M1 money supply is defined as

   (a) M1 = C + DD   ( )

   (b) M1 = C + DD + OD   ( )

   (c) M1 = DD + OD   ( )

   (d) M1 = AD + DD + OD   ( )

2. Demand for money in the Fisherian equation has been represented by

   (a) P   (   )

   (b) T   (   )

   (c) PT = T   (   )

   (d) MV = PT   (   )

3. The formula for calculating investment multiplier is

   (a) $\dfrac{\Delta Y}{\Delta I}$ (   )

   (b) $\Delta Y + \Delta I$ (   )

   (c) $\dfrac{\Delta I}{\Delta Y}$ (   )

   (d) $\Delta C + \Delta I$ (   )

4. In a business cycle, peak is followed by

   (a) expansion   (   )

   (b) trough   (   )

   (c) recession   (   )

   (d) None of the above   (   )

5. The monetary theory of trade cycle is given by

   (a) J. M. Keynes   (   )

   (b) A. C. Pigou   (   )

   (c) R. G. Hawtrey   (   )

   (d) J. Schumpeter   (   )

6. The value of money varies directly with the

   (a) demand for money   (   )

   (b) open market operation   (   )

   (c) supply of money   (   )

   (d) price level   (   )

7. The monetary policy of a country is managed by the

   (a) Central Bank   (   )

   (b) Finance Ministry (   )

   (c) Commercial Banks (   )

   (d) Board of Revenue (   )

(4)

8. The lowest level of economic activity is called

   (a) contraction ( )

   (b) trough ( )

   (c) Both (a) and (b) ( )

   (d) None of the above ( )

9. What is OTP in debit card transaction?

   (a) Odd Transaction Password ( )

   (b) Owner's Trading Password ( )

   (c) One Time Password ( )

   (d) One Time Pin code ( )

10. The concept of inflationary gap was given by

   (a) Wicksell ( )

   (b) Keynes ( )

   (c) Milton Friedman ( )

   (d) A. W. Phillips ( )

(5)

B. Indicate *True (T)* or *False (F)* by putting a Tick (✓) mark :   1×5=5

1. M3 measure of money supply is most liquid.

   (T / F)

2. Credit creation is the function of the RBI.

   (T / F)

3. During inflation, fixed income earners are gainer.

   (T / F)

4. According to Keynes, "A trade cycle is caused by variations in the rate of investment caused by MEC".

   (T / F)

5. Depression is followed by boom.

   (T / F)

C. Write short notes on any *five* of the following :

2×5=10

1. Definition of money supply

2. Functions of the Central Bank

3. High-powered money

4. Stagflation

5. Demand-pull and cost-push inflation

6. Features of trade cycle

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7. Measures to control trade cycle

8. Cash balances approach

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