

2025

(FYUGP)

(2nd Semester)

ECONOMICS

(MAJOR)

Paper : EC2.CC3

(Introductory Macroeconomics)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

The figures in the margin indicate full marks
for the questions

Answer **five** questions, taking **one** from each Unit

UNIT—I

1. Explain the methods of measuring national income. State the importance of measuring national income. 10+5=15
2. Define national income. Explain circular flow of income in a three-sector model. 5+10=15

(2)

UNIT—II

3. Explain the classical theory of employment. What are its implications and on what grounds has Keynes criticized it? $7+(3+5)=15$
4. Explain how the equilibrium level of output and employment determined in the Keynesian theory of employment. 15

UNIT—III

5. Critically explain Fisher's equation of exchange on quantity theory of money. 15
6. What is money supply? Describe the various components of money supply. $5+10=15$

UNIT—IV

7. What are the causes of inflation? Explain the various fiscal and monetary measures to check inflation. $6+9=15$
8. Distinguish between demand-pull inflation and cost-push inflation. What are the effects of inflation on the economy? $7\frac{1}{2}+7\frac{1}{2}=15$

(3)

UNIT—V

9. Explain the term 'Balance of Payments'. What are the various measures of correcting disequilibrium in the Balance of Payments? $5+10=15$
10. Distinguish between Balance of Trade and Balance of Payments. Why is Balance of Payments superior to Balance of Trade? $9+6=15$
