

**2025**

( FYUGP )

( 4th Semester )

**ECONOMICS**

( MAJOR )

Paper : 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*

**UNIT—I**

1. Define marginal propensity to consume and marginal propensity to save with suitable diagram. Explain diagrammatically the distinction between short-run and long-run consumption functions. 5+10=15

Or

Explain the relative income theory of consumption. 15

( 2 )

UNIT—II

2. Write short notes on the following :  $5 \times 3 = 15$

- (a) Marginal efficiency of investment
- (b) Gross and net investment
- (c) Induced and autonomous investment

Or

Explain the working of the accelerator principle. 15

UNIT—III

3. Discuss the loanable fund theory of interest. 15

Or

Explain the modern theory of interest.

UNIT—IV

4. Critically explain Schumpeter's theory of innovation. 15

Or

Explain Samuelson's model of trade cycle.

( 3 )

UNIT—V

5. Explain the expenditure switching policies adopted to correct BOP disequilibrium. 15

Or

Critically explain the purchasing power parity theory of exchange rate determination.

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