B.A. (Honours) Examination 2022
Semester—III (CBCS)
Economics
Course CC-6
(Intermediate Macroeconomics-I)

Time: 3 hours   Full Marks: 60

Questions are of value as indicated in the margin

Answer any four questions

1. Derive the aggregate supply and aggregate demand curves in a Classical macroeconomic framework.

    7.5+7.5

2. What are the reasons for the persistence of the effective demand problem in an advanced capitalist economy? What is stagnation thesis? Discuss in detail the multiplier in SKM.

    5+3+7

3. Contextualize and discuss, in brief, the three zones of the LM curve. Using both diagram and economic logic, explain the implications of fiscal policy across the three zones.

    (2+2+2)+(3+3+3)

4. What do you mean by a double crowding out effect in a Complete Keynesian system? Discuss in detail using both the AD-AS and IS-LM frameworks.

    15

5. Why cannot a mainstream prescription of a money wage cut induce employment in times of deep depression? Discuss using a relevant four-quadrant diagram.

    15

6. Present a Complete Keynesian Model. Explain mathematically the effects of an increase in government expenditure on the equilibrium income and interest rate in the Complete Keynesian Model.

    5+10

7. What are the basic differences between the Classical and the Keynesian macroeconomic systems? Point out one of the most crucial differences. Give reasons for your answer.

    5+10

8. Write short notes (any two)   2x7.5
    (a) Derivation of the aggregate demand curve in the IS-LM framework
    (b) Crowding out effect and the contradiction of capitalism
    (c) Implications of policy mix in the context of IS-LM model
    (d) Discuss the different methods of avoiding the problem of double counting in the context of national income accounting