

**B.A. (Honours) Examination, 2022**  
**Semester -IV (CBCS)**  
**Economics Course: CC-09**  
**(Intermediate Macroeconomics - II)**

**Time: 3 Hours**

**Full Marks: 60**

Questions are of value as indicated in the margin  
*Answer any four (04) of the following questions*

1. What are the impacts of a money wage cut in the Classical Macroeconomic model? Why and how do these impacts change in the Complete Keynesian framework under usual conditions of demand shortage? How do the outcomes alter under a depressionary situation? Explain graphically.  

5+5+5 = 15
2. Derive an expectation augmented short-run aggregate supply curve using the Workers' Misperception model. How does this curve shift in the long run and generate a long-run aggregate supply contour?  

10+5 = 15
3. What is Lucas critique? Show the Policy Irrelevance result in the New Classical model using an expectation augmented Phillips Curve. In this context, discuss a possibility of policy relevance and the Barro critique on that.  

3+5+5+2 = 15
4. Suppose the saving-income ratio, capital-output ratio and the depreciation rate of capital stock of a country are denoted by  $s$ ,  $c$  and  $\delta$  respectively. Now derive the generalised version of the Harrod-Domar model of economic growth of that country when  $\delta = 0$ . If the warranted rate of growth exceeds the natural rate of growth then what will happen to the actual rate of growth of the economy? Explain.  

10+5 = 15
5. Based on the usual assumptions, derive the Solow's steady-state of an economy having exponential growth of labour force. How does the exogeneous technological progress affect that steady-state?  

10+5 = 15
6. What do you mean by the Marginal Efficiency of Capital? Briefly discuss the Tobin's model of money demand. State the accelerator theory of investment in brief.  

5+5+5 = 15
7. Write short notes on any two of the following:  

7.5+7.5 = 15

  - a. Effective demand problem.
  - b. Double Crowding Out effect in CKM.
  - c. Menu Cost and price rigidity.
  - d. Staggered wage and policy relevance.
8. Write short notes on any two of the following:  

7.5+7.5 = 15

  - a. Golden rule of capital accumulation.
  - b. Quantity theory of money.
  - c. Jorgenson's theory of investment.
  - d. AK model of economic growth.