

**B.A. (Honours) Examination, 2023**  
**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 of the following questions*

1. Derive the aggregate supply curves in the Classical and Keynesian frameworks diagrammatically. What are the fundamental reasons for their difference?  
5+5+5 = 15
  
2. Derive an expectation-augmented short-run Phillips curve analytically under information asymmetry among the agents. Given the adaptive expectation hypothesis, how does this contour shift in the long run and generate a vertical Phillips curve?  
10+5 = 15
  
3. What is Lucas critique? Show the Policy Irrelevance result in the New Classical model. In this context, discuss the possibility of policy relevance and the Barro critique.  
3+5+5+2 = 15
  
4. Write notes on (any two):  
a. Say's law of market. 7.5+7.5 = 15  
b. IS-LM framework and the aggregate demand curve.  
c. Coordination failure and the effective demand problem.  
d. Monetarism.
  
5. State the fundamental assumptions of the Harrod-Domar model of economic growth. Consider a Harrod-Domar economy where the marginal propensity to savings is 0.20, the capital-output ratio is 6, and the depreciation rate of capital stock is 3%. Find the equilibrium growth rate of that economy.  
5+10 = 15
  
6. Explain the relationship among warranted rate, natural rate and actual rate of growth of an economy. Using a suitable model show how the positive rate of population growth can adversely affect the economic growth of a nation.  
7+8 = 15
  
7. Derive Solow's steady-state of an economy having a homogeneous production structure with constant returns to scale, positive depreciation rate of capital stock and exponential growth of labour force. Explain the effectiveness of exogenous technological progress on that steady state.  
10+5 = 15
  
8. Write a short note on the Marginal Efficiency of Investment. Discuss Tobin's model of money demand. Briefly explain the concept of the Quantity theory of money.  
5+5+5 = 15