B.A. (Honours) Examination, 2016

Semester-III

Economics

Course – 1.3.4.P.4 (Subsidiary)

(Macroeconomics-II)

Time: 3 Hours **Full Marks: 40**

Questions are of value as indicated in the margin.

Answer ***any four*** questions.

1. How is the equilibrium output and income affected in the simple Keynesian Model, when autonomous investment rises? 10

2. Derive diagrammatically the aggregate supply curve of the Classical System. Use a four quadrant framework. 10

3. Discuss in detail, the properties of the Keynesian Consumption Function. 10

4. What do you mean by Classical Dichotomy? Explain with diagram. 10

5. Define the concepts : 3+2+5=10

   (a) Inflation

   (b) Deflation

   (c) Stagflation

6. Do you think, a cost-push inflation is more difficult to control compared to a demand-pull inflation? Discuss in detail. 10

7. State and explain the Comparative Advantage Theory of International Trade. 10

8. Write short notes on **(*any two*)** : 2×5=10

   (a) Voluntary and Involuntary unemployment.

   (b) Price-index.

   (c) Circular flow of income in an open economy.

   (d) Adverse impacts of inflation.

   (e) Free trade regime.
