B.A. (Honours) Examination, 2019

Semester–II

Economics

Course– S-1.2.4.P.3 (Subsidiary)

(For Back Candidates)

Time: Three Hours **Full Marks: 40**

Questions are of value as indicated in the margin.

Answer question no. **1** and ***any three*** from the rest.

1. Answer the following questions: $5\times2=10$

   (i) What do you mean by autonomous consumption expenditure?

   (ii) What is marginal propensity to save?

   (iii) Define national income.

   (iv) What is inflation?

   (v) Define lump-sum tax.

2. How is equilibrium national income determined in three sectors simple Keynesian model? 10

3. Consider the following model

   $S = -20 + 0.6\,Y$

   $I = 100$

   Where the symbols have their usual meanings. What is the equilibrium level of national income. 10

4. State and explain the basic GNP identity. 10

5. How is income and employment determined in classical macroeconomic model? 10

6. What do you mean by quantity theory of money? What are the functions of money? $4+6=10$

7. Distinguish clearly between the demand pull and cost push theory of inflation. 10

8. Write short notes on: $5+5=10$

   (i) Cambridge version of quantity theory of money.

   (ii) Paradox of thrift.

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