

M.A. Examination, 2018
Semester-I
Economics
Course – C2 (Core)
(Macro Economics-1)

Time: Three Hours

Full Marks: 40

Questions are of value as indicated in the margin

Answer **any four** questions

1. Critically discuss macroeconomics of demonetization that has been recently implemented in India. 10
 2. Write a critical note on macroeconomics of global financial and economic crisis and its impact on less developed countries including India. 10
 3. What is the justification behind extending one commodity framework into two department scheme originally assumed by Marx in order to build up an alternative macroeconomic foundation? Show using the alternative framework of two department scheme how the multiplier mechanism still works even when the economy reaches the full employment. 3+7=10
 4. Explain how the two sided role of wage variations has an impact on unemployment in a closed economy. Discuss the implications of contesting political ideologies in this context. 10
 5. (a) Why do industrial leaders of modern capitalism consistently oppose the maintenance of full employment by government spending, though their profits rise?
(b) Show how the policy decision of these 'industrial leaders' generates a 'political business cycle' rather than a consistent synthetic boom.
(c) Why does the same regime of big-business prefer to achieve a state of full employment by government spending in a fascist state? 4+4+2=10
 6. (a) '.... it is recognized characteristic of money as a store of wealth that it is barren; whereas practically every other form of storing wealth yields some interest or profit. Why should anyone outside a lunatic asylum wish to use money as a store of wealth?' (Keynes). How did Keynes resolve the above puzzle?
(b) 'Supply of money is demand determined'. What is the significance of this statement in critical appraisal of Monetarism? 5+5=10
 7. Compare different macroeconomic systems (Classical, Keynesian, Monetarism, Real Business Cycle etc) from the perspective of types of employment / unemployment, neutrality / non-neutrality of money, stability and non-stability of velocity of circulation of money and policy prescriptions. 10
 8. Write short notes (**any two**): 5×2=10
 - (a) Error of confusing historical categories and national income accounting.
 - (b) Solow Residual
 - (c) Significance of uniform and dual MPC in Keynesian and Kaleckian analysis.
 - (d) Class struggle and distribution of national income.
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