2013

M.A/M.Sc.

2nd Semester Examination

ECONOMICS

PAPER—V (ECO-201)

Full Marks : 40

Time : 2 Hours

The figures in the right-hand margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

Illustrate the answers wherever necessary.

Group—A

1. Answer any *five* questions : 5×2

(a) Distinguish between General Equilibrium and Partial Equilibrium Analysis. 2

(b) Who are Neo-Keynesian Economists? 2

(c) State the IS equation for an small open economy. 2

(d) State the theoretical background of the Philips Curve.

(e) Distinguish between adaptive expectation and rational expectation.

(f) What do you mean by Seugnorage Revenue?

(g) Why is exchange kept suspended under market non-clearing condition in a perfectly competitive model? 2

(h) Explain the positively sloped short run aggregate supply curve with the help of equation. 2

(i) Write any two reasons behind price stickiness in sticky price model. 2

(j) What do you mean by Sticky Wage? 2

Group—B

Answer any *two* questions : 2×5

2. Write down the main features of the Neo-Classical General Equilibrium Model. 5

3. State and explain the natural rate of unemployment hypothesis. 5

4. Estimate the optimal growth of money and state the observations of Cagan. 5

5. How can you explain the positively sloped aggregate supply curve with the help of menu cost model.

Group—C

Answer any *two* questions : 2×10

6. (a) What do you mean by a small open economy?

(b) Derive the 'BP' schedule for an small open economy.

(c) Comment on the slope under different assumptions on capital mobility. 2+6+2

7. Establish the inverse trade-off between acceleration of inflation and unemployment on the basis of adaptive expectation hypothesis. 10

8. Explain how the labour demand curve is derived in the Barro-Grossman model. Distinguish between notional labour demand and effective labour demand in this context. 10

9. Explain the notion of imperfect information and in this context. Explain the upward rising short-run aggregate supply curve. 3+7

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