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C/18/B.Sc./2nd Sem/ECOH/C3T

2018

2nd Semester

ECONOMICS

PAPER—C3T

(Honours)

Full Marks : 60

Time : 3 Hours

The figures in the 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 *ten* questions : 10×2

(a) Explain very briefly how the problem of double counting may arise in national income accounting.

(b) What are leakages from the circular flow of income ?

(c) What do you understand by the term 'value of money'?

(d) What is velocity of circulation of money?

(e) What is classical dichotomy?

(f) What is liquidity trap?

(g) Differentiate between GDP and GNP.

(h) What do you mean by Balance of Payments?

(i) Give an idea about financial intermediaries.

(j) What do you mean by crowding out?

(k) What is GDP deflator? Is it different from WPI?

(l) Define nominal and real exchange rate.

(m) Differentiate between FDI and FII.

(n) What is the difference between planned and actual investment?

(o) Define 'reserve money', 'narrow money' and 'broad money'.

Group-B

Answer any *four* questions. 4×5

2. Explain the concept of paradox of thrift.

3. What according to Keynes are the three motives for holding money?

4. Write a short note on Fisher's Quantity theory of money.

5. Distinguish between Demand Pull Inflation and Cost Push Inflation.

6. Explain the relationship between fiscal deficit and current account deficit from the national income accounting.

7. What do you mean by an appreciation of nominal and that of real exchange rate? Identify the factors that can lead to an appreciation of real exchange rate. 2+3

Group-C

Answer any *two* questions. 2×10

8. Discuss Tobin's Portfolio approach to speculative demand for money.

9. Explain different measures of Central Bank to control money supply in an economy.

10. How is the equilibrium determined through IS and LM curve ? Is it a stable equillibrium ?

11. What are the components of aggregate demand ? State and explain each of the components and their prime determinants under the Keynesian framework.

2+8

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