2026

(FYUGP)

(2nd Semester)

ECONOMICS

(MINOR)

Paper : EC2.M2

(Introductory Macroeconomics)

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

The figures in the margin indicate full marks for the questions.

(PART : A—OBJECTIVE)

(*Marks* : 25)

SECTION—I

(*Marks* : 15)

Choose the correct option : 1×15=15

1. Which of the following is a method to measure the national income?
   - (a) Expenditure method
   - (b) Income method
   - (c) Product method
   - (d) All of the above

2. Which of the following is another term for the NNP at factor cost?
   (a) Personal income
   (b) National income
   (c) Gross national product
   (d) Net domestic product

3. Which of the following organizations calculates the GDP in India?
   (a) The RBI
   (b) The Indian Statistical Institute
   (c) The National Statistical Office
   (d) None of the above

4. The difference between Gross Domestic Product and Gross National Product is
   (a) net export
   (b) depreciation
   (c) net foreign investment
   (d) net factor income from abroad

5. *The General Theory of Employment, Interest and Money* was written by
   (a) Adam Smith
   (b) A. C. Pigou
   (c) J. M. Keynes
   (d) J. B. Say

6. Which of the following is known as broad money?
   (a) M_1
   (b) M_2
   (c) M_3
   (d) M_4

7. Equation of exchange is associated with
   (a) Irving Fisher
   (b) A. C. Pigou
   (c) Robertson
   (d) Alfred Marshall

8. The increase in money supply will lead to
   (a) cost-push inflation
   (b) demand-pull inflation
   (c) structural inflation
   (d) stagflation

9. Which curve examines the relationship between the rate of unemployment and the rate of money wage changes?
   (a) Phillips curve
   (b) Indifference curve
   (c) Supply curve
   (d) Demand curve

10. Economic growth is normally coupled with
 (a) deflation
 (b) inflation
 (c) stagflation
 (d) hyperinflation

11. Which account of BOP records foreign investment and loans?
 (a) Current Account
 (b) Capital Account
 (c) Trade Account
 (d) Revenue Account

12. The balance of exports and imports of good is referred to as
 (a) balance of trade
 (b) balance of payments
 (c) Current Account balance
 (d) Capital Account balance

13. Stagflation occurs when economy experiences
 (a) rising prices and rising outputs
 (b) rising prices and falling outputs
 (c) falling prices and rising outputs
 (d) falling prices and falling outputs

14. Which of the following is a part of the Capital Account of the BOP?
 (a) Foreign loans
 (b) Monetary movement
 (c) Foreign investments
 (d) All of the above

15. Balance of trade is the
 (a) difference between export and import of services
 (b) total of export and import of services
 (c) difference between export and import of goods
 (d) total of import and export of goods

SECTION—II

(*Marks* : 10)

Write short notes on any *five* of the following : 2×5=10

1. Fiscal Policy
2. Inflationary Gap
3. Aggregate Demand
4. Transfer Payment
5. Capital Account
6. Fiat Money
7. Unit of Account

(PART : B—DESCRIPTIVE)

(*Marks* : 50)

UNIT—I

1. Briefly explain the value-added method of estimating national income. Give its precautions. 8+2=10

Or

2. Explain the different methods of measuring national income. 10

UNIT—II

3. Explain wage price flexibility under classical theory of income and employment. 10

Or

4. Explain the simple Keynesian model of income determination. 10

UNIT—III

5. Explain Fisher's cash transaction approach of quantity theory of money. 10

Or

6. Explain the credit creation process by the commercial bank. 10

UNIT—IV

7. Explain fiscal and monetary policy measures to control inflation. 5+5=10

Or

8. Briefly discuss the demand-pull theory of inflation. 10

UNIT—V

9. Explain the difference between BOP and BOT. Explain the types of disequilibrium of BOP. 5+5=10

Or

10. Discuss the Capital Account of BOP. What are the constituents of Capital Account? 5+5=10

★★★