2024

(FYUGP)

(3rd Semester)

ECONOMICS

(Interdisciplinary Course)

Paper Code : IDC–3/EM

(Elementary Macroeconomics)

Full Marks : 37½ *Pass Marks* : 40%

Time : 2 hours

(PART : B—DESCRIPTIVE)

(*Marks* : 25)

The questions are of equal value

1. Explain the scope of macroeconomics.

OR

2. Explain the methods of measuring national income.

3. Explain the circular flow of income in a closed economy.

OR

4. Explain the circular flow of income in an open economy.

5. Very briefly, explain the different functions of money.

OR

6. Write the functions of commercial banks.

7. Explain the types of inflation.

OR

8. Explain the effects of inflation in the economy.

9. Distinguish between demand-pull and cost-push inflation.

OR

10. Explain the causes of deflection in the economy.

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Subject Code : IDC–3/EM (CP)

To be filled in by the Candidate

BA / BSc / BCom / BBA / BCA
3rd Semester End Term
Examination, **2024 (FYUGP)**

Subject ....

Paper ....

INSTRUCTIONS TO CANDIDATES

1. **The Booklet No. of this script should be quoted in the answer script meant for descriptive type questions and vice versa.**
2. **This paper should be ANSWERED FIRST and submitted within 1 (one) Hour of the commencement of the Examination.**
3. **While answering the questions of this booklet, any cutting, erasing, over-writing or furnishing more than one answer is prohibited. Any rough work, if required, should be done only on the main Answer Book. Instructions given in each question should be followed for answering that question only.**

Signature of Scrutiniser(s)

Signature of Examiner(s)

Booklet No. A

86

Date Stamp ....

....

To be filled in by the Candidate

BA / BSc / BCom / BBA / BCA
3rd Semester End Term
Examination, **2024 (FYUGP)**

Roll No. ....

Regn. No. ....

Subject ....

Paper ....

DESCRIPTIVE TYPE

Booklet No. B ....

Signature of Invigilator(s)

2024

(FYUGP)

(3rd Semester)

ECONOMICS

(Interdisciplinary Course)

Paper Code : IDC–3/EM

(Elementary Macroeconomics)

(PART : A—OBJECTIVE)

(*Marks* : 12½)

The figures in the margin indicate full marks for the questions

Choose the correct answer by putting a Tick (✓) mark in the brackets provided : ½×15=7½

1. Who wrote the revolutionary book, *The General Theory of Employment, Interest and Money* in 1936?

(*a*) Adam Smith ( )

(*b*) J. M. Keynes ( )

(*c*) Ragnar Frisch ( )

(*d*) J. S. Mill ( )

2. The term 'Macro' is derived from the Greek word 'Makros' which means

(a) large ( )

(b) medium ( )

(c) small ( )

(d) huge ( )

3. Which of the following is included in GNP?

(a) The income earned by the resident of the country in foreign countries ( )

(b) The income earned by the foreigners in the country ( )

(c) The income earned by both the foreigners and residents of a country ( )

(d) None of the above ( )

4. In circular flow of income, it includes the flow between

(a) goods and services ( )

(b) labour and capital ( )

(c) households and business firms ( )

(d) rent and wages ( )

5. Disposable Income is

(a) Personal Income – Indirect Taxes ( )

(b) Personal Income + Subsidies ( )

(c) Personal Income – Direct Taxes ( )

(d) Personal Income – Depreciation ( )

6. Money can be defined as anything that is generally accepted as a

(a) medium of exchange, measure and store of value ( )

(b) medium of exchange ( )

(c) measure of value ( )

(d) store of value ( )

7. Which of the following is the function of money?

(a) Measure of value ( )

(b) Standard of deferred payment ( )

(c) As the basis of other credit instruments ( )

(d) All of the above ( )

8. Which of the following is the function of commercial banks?

(*a*) Credit creation ( )

(*b*) Controller of credit ( )

(*c*) Open market operations ( )

(*d*) Clearing house for transfer and settlement ( )

9. Which of the following is the function of central bank?

(*a*) Lender of the last resort ( )

(*b*) Custody and management of foreign exchange reserves ( )

(*c*) Controller of credit ( )

(*d*) All of the above ( )

10. Money is generally understood as

(*a*) Money = Currency + Demand Deposits ( )

(*b*) Money = Currency + μ_1 ( )

(*c*) Money = Currency + μ_1 + Other Deposit ( )

(*d*) All of the above ( )

11. "Too much money chasing too few goods" is the definition given by

(a) Coulbourn ( )

(b) Walker ( )

(c) Crowfher ( )

(d) J. R. Hicks ( )

12. When price rise moderately and the inflation rate is a single digit, it is called

(a) galloping inflation ( )

(b) walking inflation ( )

(c) creeping inflation ( )

(d) hyperinflation ( )

13. Which of the following are benefitted by inflation?

(a) Debtors ( )

(b) Entrepreneurs ( )

(c) Farmers ( )

(d) All of the above ( )

14. Deflation is

(a) when the general price level decreases ( )

(b) when the overall price level increases ( )

(c) when the interest rates falls ( )

(d) when the interest and price level increases ( )

15. Demand-pull inflation is induced by

(a) a boost in aggregate supply ( )

(b) a boost in aggregate demand ( )

(c) a boost in aggregate demand and supply ( )

(d) None of the above ( )

Answer/Write on any *five* of the following in short : 1×5=5

1. Define macroeconomics.

2. Define national income.

3. Define GDP.

4. Write one function of Central Bank.

5. Commercial banks

6. What is inflation?

7. What is deflation?

8. Importance of national income

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