

Chanchal College Home Assignment

Economics (Honours)

Part 1 (Macroeconomics)

Students have to send their answers scripts to eco.dept.chanchal@gmail.com

Group A

Full marks 20.

Time 30 minutes

1. In equilibrium a) $MPC+MPS<1$ b) $MPC+MPS=1$ c) $MPC+MPS>1$
2. a) $GNP=NNP-Depreciation$ b) $GNP=NNP+Depreciation$ c) $GNP=NNP \times Depreciation$
3. Permanent income hypothesis was propounded by a) Milton Friedman b) John Duesenberry c) Modigliani
4. In the short run investment function is a) induced b) autonomous c) none of these
5. Speculative demand for money depends on a) the level of income b) the rate of interest c) both
6. IS curve is a) upward rising b) downward sloping c) horizontal
7. Say's law implies that a) demand creates its own supply b) supply creates its own demand c) none of these
8. In keynesian theory automatic full employment is a) possible b) not possible c) to some extent possible
9. In Harrod growth model a) actual rate of growth < warranted rate of growth < natural rate of growth b) actual rate of growth = warranted rate of growth = natural rate of growth c) actual rate of growth > warranted rate of growth > natural rate of growth
10. In demand pull inflation there is always a) more than full employment b) less than full employment c) full employment.

1 Group B

Full marks 80.

Time 3 years 30 minutes

Answer any 4 questions

1. The intersection of the aggregate supply and aggregate demand function determine the level of income and expenditure - explain
2. Critically examine the Cambridge version of the quantity theory of money.
3. Discuss the effect of a cut in money rate on the level of income and employment in the classical and keynesian model.
4. Explain the relative income hypothesis
5. Distinguish between MEC and MEI.
6. Show that DPI and CPI mixed in nature.