

2M/ECO-150 Syllabus-2023

2 0 2 5

(May-June)

FYUP : 2nd Semester Examination

ECONOMICS

(Major)

(**Macroeconomics—I**)

(ECO-150)

Marks : 75

Time : 3 hours

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

Answer **five** questions, taking at least **one**
from each Unit

UNIT—I

1. Define national income. What are the various methods of measurement of national income? Critically discuss the method that is widely being used in India. 2+6+7=15
2. Critically examine the four-sector model of circular flow of income. 15

(2)

3. What is green accounting? What is the rationale for green accounting? Discuss its limitations. 4+6+5=15

UNIT—II

4. Discuss the principle of effective demand and its role in determining equilibrium employment level in the Keynesian framework. 15
5. (a) Explain the attributes of the consumption function.
- (b) What measures can be used to raise the propensity to consume?
- (c) Calculate APC and MPC from the following data :

Income (Y)	Consumption (C)
100	120
150	160
200	200
250	240
300	280

6+5+4=15

6. (a) What is investment multiplier? Calculate the values of the multiplier when $MPC = 0.5$ and 0.8 . 3+2+2=7

(3)

- (b) Explain the concept of marginal efficiency of investment. 8

UNIT—III

7. Critically discuss Fisher's quantity theory of money. 15
8. Discuss the types of monetary policy adopted by the central bank to deal with inflation. What are its limitations? 9+6=15
9. (a) "There exists a trade-off between inflation and unemployment." Explain.
- (b) Discuss the important policy implications of the Phillips curve. 9+6=15

UNIT—IV

10. Critically discuss the innovations theory of trade cycle. 15
11. (a) Distinguish between balance of trade and balance of payments.
- (b) Balance of payments is always in equilibrium. Explain. 5+10=15

12. What are the causes of disequilibrium in the balance of payments? Suggest measures to correct a deficit in the balance of payments.

5+10=15
