

17.07.23  
(1+1+1) System

Y(III)-Economics-II-II-3.2HA(A.32A)

2023

**ECONOMICS-II — HONOURS**

**Paper : 3.2HA**

**(A 32A)**

**(Accounting and Finance Group)**

**Full Marks : 50**

*The figures in the margin indicate full marks.*

*Candidates are required to give their answers in their own words  
as far as practicable.*

**Group - A**

1. Answer **any four** questions :

2×4

- (a) Mention two important problems in accounting national income of the country.
- (b) Distinguish between consumer goods and capital goods. Which of these two are final goods?
- (c) Draw the difference between Net National Product (NNP) and Net Domestic Product (NDP).
- (d) Draw the difference between stock and flow variables in macroeconomics with suitable example.
- (e) Can transfer earnings be included in National income? Explain.
- (f) What do you mean by 'full employment' in economics?

**Group - B**

2. Answer **any five** questions :

- (a) Discuss briefly the simple Keynesian model of income determination. 6
- (b) Explain briefly the process of working of the Keynesian investment multiplier. 6
- (c) Define LM curve. Derive and explain the different slopes of the LM curve in its different segments. 3+3
- (d) What is money? Distinguish between 'Narrow money' and 'Broad money'. 6
- (e) Using the general equilibrium approach examine the impact on rate of interest (r) and national income (y) in the economy for a reduction in direct tax burden on the community considering the LM function as given. 6
- (f) If autonomous investment alone increases, how is the IS curve affected? Discuss its overall impact on equilibrium level of income and rate of interest. 6

**Please Turn Over**

**Group - C**

3. Answer **any one** question :

- (a) (i) How do you define inflation? Explain briefly the theory of demand-pull inflation.
  - (ii) Explain the relation between quantity of money and price level. (2+4)+6
  - (b) (i) Diagrammatically explain the concept of 'cost-push inflation' in the economy.
  - (ii) 'Controlled inflation in an economy is always better than the phenomenon of deflation from overall economic point of view.' – Do you agree? Justify your answer. 6+6
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