

17.07.23
(1+1+1) System

Y(II)-Economics-II-H-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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