J.K. College, Purulia

Model questions for Economics Honours

Course Title: Introductory Macroeconomics

1. Answer any ten questions : 1x10=10

(a) What do you mean by GDP?
(b) Define exchange rate.
(c) What is barter system?
(d) What is the main problem in national income accounting?
(e) Define inflation.
(f) What is the main advantage of money?
(g) What do you mean by crowding out?
(h) Define equilibrium price.
(i) State the factors affecting the shift in aggregate demand.
(j) Define investment multiplier.
(k) What is involuntary unemployment?
(l) What is the difference between the short run growth and long run growth?
(m) What is the difference between closed and open economy?
(n) Define solow residuals.
(o) What is the relationship between money supply and inflation?

2. Answer any five questions: 2x5=10

(a) Define GNP deflator.
(b) Explain Pigou effect.
(c) What is money multiplier?
(d) Define inferior input.
(e) Explain diminishing productivity.
(f) Define opportunity cost.
(g) Define aggregate demand according to Keynes.
(h) Explain crowding out effect.
(i) Explain the concept of liquidity trap.

3. Answer any two questions: 5x2=10

(a) Explain savings-investment identity.
(b) Derive the balanced budget multiplier in the simple Keynesian model.
(c) Explain the long run equilibrium under perfect competition.

4. Answer any one question: 10x1=10

(a) Derive the Keynesian money demand function.
(b) Derive the shape of short run total product curve following the law of variable proportions.