

2M/ECO-150 Syllabus-2023

2026

(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 atleast **one** from each Unit.

UNIT—I

1. (a) Define National Income.
(b) Distinguish between GNP and GDP.
(c) What are the limitations associated with the measurement of National Income? 2+3+10=15
2. Explain the circular flow of income in a four-sector economy. How is this model different from the three-sector model? 10+5=15

(2)

3. Explain the National Income identity in a closed economy. 15

UNIT—II

4. Critically examine the classical theory of employment. 15
5. (a) What is consumption function? Briefly explain the factors influencing consumption function.
- (b) Explain the relationship between APC and MPC when consumption function is $C = a + bY$. $(2+6)+7=15$
6. Explain the concept of marginal efficiency of capital. Elucidate the factors affecting the marginal efficiency of capital. $7+8=15$

UNIT—III

7. Explain the tools used by the central bank to control credit. 15
8. What is meant by money? Explain the different functions of money. $3+12=15$
9. What do you understand by unemployment? Explain the different types of unemployment. What is the most prevalent type of unemployment in India and why? $3+8+4=15$

(3)

UNIT—IV

10. What is trade cycle? Explain in detail the characteristics of a trade cycle. $3+12=15$
11. Critically examine the Hawtrey's theory of trade cycle. 15
12. Distinguish between Balance of Trade and Balance of Payments. Explain the components of the Balance of Payments. What is the role of the capital account in restoring the imbalance in the BOP? $5+7+3=15$
