2020-21

Time - 3 hours
Full Marks – 80

Answer **all groups** as per instructions.
Figures in the right hand margin indicate marks.
Candidates are required to answer
in their own words as far as practicable.

Group-A

1. Answer <u>all</u> questions or fill in blanks as required.   [1x12]

   a) Consumption-income relationship is called_____.

   b) Marginal propensity to consume of the poor is_____ (high/low).

   c) Generally Marginal Propensity Consume (MPC) varies between 0 to

      _____.

   d) Define autonomous investment.

   e) APS + APC =_____.

   f) Who told "Trade cycle is a monetary phenomenon"?

   g) What is marginal efficiency of capital?

   h) Write the motives behind demand for money.

   i) Can rate of interest be zero in Liquidity Trap situation?

   j) What is the nature of IS curve?

   k) Inflation-unemployment trade-off is called_____.

   l) Name the 2nd stage of trade cycle.

Group-B

2. Answer <u>any eight</u> of the following questions within two or three
   sentences each.   [2x8]

   a) State three propositions of Keynesian Psychological Law of
      Consumption.

   b) Define marginal propensity to consume.

c) State three measures to raise consumption function.

d) What is accelerator?

e) What is transaction demand for money?

f) What is LM function?

g) What is Duessenberry's Demonstration effect?

h) State the characteristics of trade cycle.

i) Write the components of supply of money.

j) Write different phases of trade cycle.

GROUP-C

3. Write notes on any eight of the followings within 75 words: [3x8]

   a) Explain the relation between MPC and APC in the short-run.

   b) Write three implications of Keynesian consumption function.

   c) What is precautionary demand for money?

   d) What is transaction demand for money?

   e) Explain derivation of IS curve.

   f) What is Aggregate Demand?

   g) Explain the relation between MEC and rate of interest while making investment.

   h) Explain money multiplier.

   i) What is Philips curve?

   j) What is marginal efficiency of capital?

GROUP- D

4. Answer any four questions within 500 words each.   [7x4]

   a) State and explain Keynes' Psychological law of consumption with suitable diagram.

   b) Discuss various measures to raise consumption function.

   c) What is demand for money? Explain various motives behind demand for money, according to Keynes.

   d) Explain Hawtrey's monetary theory of trade cycle.

e) Explain the determination of employment, output level through interaction of IS and LM functions.

f) What is Phillips curve? Explain inflation unemployment trade-off in the short-run.

g) Explain the factors determining investment level in an economy.

******

KACK - 2021