UNIVERSITY OF NORTH BENGAL

B.Com. Honours 2nd Semester Examination, 2023

GE2-COMMERCE

MACRO ECONOMICS

OLD SYLLABUS

Time Allotted: 2 Hours　　　　　　　　　　　　　　　　　　　　　Full Marks: 60

The figures in the margin indicate full marks.

GROUP-A

Answer any *two* questions　　　　　　　　　　　　　12×2 = 24

1. Explain the concept of static macroeconomics analysis. Discuss the circular flow of income and expenditure in a two sector economy.　　　6+6

2. Describe the monetary and fiscal policy adopted by the government in handling inflation in its economy.　　　6+6

3. How is expansionary monetary policy determined under flexible exchange rate in Mundell-Fleming Model?　　　12

4. (a) Determine the value of game by using dominance property.　　　6+6

$$\begin{array}{c} & \text{Player B} \\ & \begin{array}{cccc} B_1 & B_2 & B_3 & B_4 \end{array} \\ \text{Player A} \begin{array}{c} A_1 \\ A_2 \\ A_3 \\ A_4 \end{array} & \begin{bmatrix} -7 & 3 & 1 & 20 \\ 5 & 6 & 4 & 18 \\ 4 & 7 & 0 & 6 \\ -1 & -2 & -3 & 4 \end{bmatrix} \end{array}$$

(b) What is a strategy? What are the different types of strategies?

GROUP-B

5. Answer any *four* questions:　　　　　　　　　　　6×4 = 24

(a) Explain the different types of Unemployment. What are the factors responsible for their existence?　　　3+3

(b) What is LM curve? How is it derived from money market equilibrium?   3+3

(c) What is meant by trade-off between the rate of inflation and unemployment?   6

(d) Distinguish between balance of trade and balance of payment.   6

(e) What is the difference between floating exchange rate and fixed exchange rate? What type of exchange rate has been adopted by India?   4+2

(f) Determine the value of the game and comment.   6

<center>Player B</center>

$$\begin{array}{c} & \begin{array}{ccc} B_1 & B_2 & B_3 \end{array} \\ \text{Player A} \quad \begin{array}{c} A_1 \\ A_2 \\ A_3 \end{array} & \left[\begin{array}{ccc} 0 & 6 & 2 \\ -1 & 0 & -7 \\ -2 & 4 & 0 \end{array}\right] \end{array}$$

GROUP-C

6.   Answer any *four* questions: 3×4 = 12

(a) What is Prisoner's Dilemma?   3

(b) What is Cost-Push Inflation?   3

(c) Define two-person zero-sum game.   3

(d) What is natural rate of unemployment?   3

(e) What is social cost of inflation?   3

(f) What is IS curve?   3

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