



UNIVERSITY OF NORTH BENGAL
B.Com. Honours 2nd Semester Examination, 2021

GE2-COMMERCE

MACRO ECONOMICS

Full Marks: 60

ASSIGNMENT

The figures in the margin indicate full marks.

Answer all of the following

15×4 = 60

1. (a) Explain the manner in which currency exchange rate is determined. 6+9
(b) “When a country experiences capital flight there are some effects on interest rate and exchange rate of that country”— Explain your opinion.
2. (a) “Inflation and unemployment have a stable and inverse relationship” – Explain how it was established by A.W. Philips. 5+10
(b) “While there is a trade-off between inflation and unemployment in short run, there is no such trade-off between them in the long run.”— Illustrate the statement in light of the view expressed by Friedman.
3. (a) Is it justifiable to exclude homemakers’ value creation from national income? 6+9
(b) “The circular flow of income is an economic model which exhibits the foundation of the transactions that build an economy.”— Discuss the statement and show how this model works in a three-sector economy.
4. (a) Explain the impact of expansionary fiscal policy on IS curve. 7+8
(b) “Increase in the tax rate causes shift in the position of the IS curve.”— Discuss the statement with arguments.

—x—