UNIVERSITY OF NORTH BENGAL
B.A./B.Sc. Honours 3rd Semester Examination, 2022

CC6-ECONOMICS (306)

INTERMEDIATE MACROECONOMICS

Time Allotted: 2 Hours   Full Marks: 60

The figures in the margin indicate full marks.

GROUP-A

1. Answer any *four* questions from the following: 3×4 = 12

   (a) Define liquidity trap.   3

   (b) What do you understand by wage rigidity?   3

   (c) Distinguish between transaction and speculative demand for money.   3

   (d) What is deposit multiplier?   3

   (e) Define 'Pigou Effect'.   3

   (f) Define M3.   3

GROUP-B

Answer any *four* questions from the following   6×4 = 24

2. Derive the foreign trade multiplier.   6

3. What are the various measures of money supply?   6

4. Explain in brief Statutory Liquidity Ratio.   6

5. Explain in brief Tobin's "Portfolio Approach" Model.   6

6. How is equilibrium exchange rate determined in asset market approach? 6

7. Briefly discuss Dornbusch's overshooting model.   6

GROUP-C

Answer any *two* questions from the following   12×2 = 24

8. Write a note on "Open Market Operation".   12

9. Write a note on purchasing power parity.   12

10. Within the Mundel-Fleming model, analyze the effects of

   (a) a decline in the money supply.   6

   (b) a decrease in government spending for both flexible and fixed exchange rate.   6

11. Derive the investment multiplier in the IS-LM model.   12

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