

2021

ECONOMICS — II

Second Paper

Full Marks : 80

The figures in the margin indicate full marks.

*Candidates are required to give their answers in their own words
as far as practicable.*

Answer **any five** questions.

1. Distinguish between GNP and NNP. Discuss the different methods estimating national income of a country. 4+12
 2. State the assumptions made in the determination of equilibrium national income in Simple Keynesian Model. Explain the equilibrium national income is using Consumption function and Investment function. 8+8
 3. What are the different functions of Money? Critically discuss the Fisherian version of Quantity Theory of Money. 6+10
 4. Define Inflation. Discuss the causes of Demand pull and Cost push Inflation. Discuss the anti-inflationary measures taken by the government to control inflation. 2+8+6
 5. Discuss the credit creation process of the commercial bank. What are the limitations of this process? 10+6
 6. Define “Deficit Financing”. Write the causes for which the government has to use the weapon of ‘Deficit Financing’. Discuss its good and bad effects on the economy. 2+6+8
 7. Distinguish between International Trade and Inter-regional Trade. Discuss the arguments for and against Protection. 6+10
 8. What do you mean by Fiscal Policy? Discuss the different objectives of Fiscal Policy. 4+12
 9. How does the ‘Balance of Trade’ differ from ‘Balance of payments’? Discuss the different methods that can rectify the adverse ‘balance of payments’. 6+10
 10. Write short notes on (**any two**): 8×2
 - (a) Economic growth vs. Economic development
 - (b) Public expenditure
 - (c) Essentials of Sound Banking System
 - (d) Consumption Function.
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