

2m/ECO-150 Syllabus-2023

2026

(May-June)

FYUP : 2nd Semester Examination

ECONOMICS

(Minor)

(Macroeconomics—I)

(ECO-150)

Marks : 75

Time : 3 hours

The figures in the margin indicate full marks for the questions.

Answer **five** questions, taking at least **one** from each Unit.

UNIT—I

1. Explain the circular flow of income in a four-sector model. What are the leakages possible in such a model? 12+3=15
2. What is green accounting? What are the objectives of green accounting? Explain the methods of calculating green accounting by the SEEA method. 2+5+8=15

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(Turn Over)

3. (a) Define national income. Explain the expenditure method of calculation of national income.

(b) Calculate the NDP from FC (factor cost) :

Particulars	₹ (in crores)
GNP at MP	6,000
Subsidies	200
Depreciation	100
Net factor income from abroad	400
Indirect tax	300
	2+8+5=15

UNIT—II

4. Explain briefly the Classical Theory of Employment. Point out the limitations of the Classical Theory of Employment. 10+5=15
5. Explain the role of effective demand in determining equilibrium employment level. 15
6. What is the marginal efficiency of capital? What are the factors determining MEC? 5+10=15

UNIT—III

7. Explain Fisher's quantity theory of money with its limitations. 8+7=15
8. Describe the quantitative tools of a central bank to control credit. What are some of their limitations in a developing country? 12+3=15

9. What is inflation? Explain briefly the effects of inflation in the economy. $3+12=15$

UNIT—IV

10. Critically examine the Hawtrey's theory of the trade cycle. 15
11. Describe how cheap bank credit leads to monetary over-investment in explaining economic fluctuations as given by Hayek. 15
12. (a) Differentiate between Balance of Trade and Balance of Payments.
- (b) Explain the components of the Balance of Payments of a country.
- (c) Explain the causes of disequilibrium in the Balance of Payments. $4+5+6=15$
