



**Ba/EC4.CC8**

**2024**

**( FYUGP )**

**( 4th Semester )**

**ECONOMICS**

**( Major )**

Paper Code : EC4.CC8

**( Intermediate Macroeconomics—I )**

Full Marks : 75

Pass Marks : 40%

Time : 3 hours

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

1. What do you mean by consumption function?  
Explain diagrammatically the distinction  
between average propensity to consume and  
marginal propensity to consume. 5+10=15

Or

Explain Keynes' psychological law of  
consumption. What are its implications? 10+5=15

2. What is marginal efficiency of capital? Explain the factors influencing marginal efficiency of capital. 5+10=15

*Or*

What is investment multiplier? Explain its working. 5+10=15

3. Explain critically the classical theory of interest. 15

*Or*

Critically explain the liquidity preference theory of interest.

4. Explain critically Hawtray's monetary theory of trade cycle. 15

*Or*

Critically explain Hick's model of trade cycle.

5. Explain Mundell-Fleming model of open economy. 15

*Or*

Explain Dornbusch's overshooting model of open economy.

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