



# KALIACHAK COLLEGE

**Internal Assessment 2021**

**Semester –II**

**Course Name: Core-3 (A-2.1)**

**Introductory Macroeconomics**

**Full marks: 14**

Group A

1. Answer any one of the following.

2x1 = 2

- a) Define National Income.
- b) What do you mean by open economy
- c) What is balance of payments
- d) What is money?
- e) What are the dynamic functions of money
- f) What is hyperinflation.
- g) What is disguised unemployment?

Group: B

2. Answer any one of the following:.

4x1 = 4

- a) What is a value -added method of national income accounting? Discuss with a suitable example.
- b) Write a short note on the Cost of living Index number.
- c) What is the role of savings and investment on growth?
- d) Briefly discuss the determinant of money supply.
- e) How do commercial banks create credit?
- f) What are the shortcomings of the quantity theory of money?
- g) What do you mean by social cost of Inflation?

Group: C

3. Answer any one of the following:.

8x1 = 8

- a) How does the Central Bank control the money supply in an economy?
- b) Distinguish between demand pull inflation and cost push inflation
- c) What do you mean by aggregate demand? Discuss the interrelationships among the components of aggregate demand.