

Mathabhanga College
Class Test-2019
Economic(Honours)
Semester-2
CC-3 (Macroeconomics-1)

Time;one and half hour

Full marks -25

Group-A

Answer any Two

10x2=20

- 1)Write a note on classical dichotomy.
- 2) Discuss fundamental differences between the classical and Keynesian model of income determination.
- 3) Explain effectiveness of fiscal policy in the IS-LM framework.

Group-B

4) Answer the following questions.

1X5=5

- a) What is meant by neutrality of money
- b) Mention two problems of measuring national income.
- c) Define Liquidity trap
- d) What would be the shape of LM curve when money supply is perfectly interest inelastic.
- e) How MPC is related to investment multiplier