

Mathabhanga College
Class Test 2022
Semester IV
Economics (Honours)
Paper Name- Macro economics-II
Core- 8

Time 1 hour

Full marks-20

1, Answer any five questions from the following,

1X5=5

- a) When Central Bank increases cash reserve ratio
- i) money supply in the market is expected to increase
 - ii) money supply in the market is expected to decrease
 - iii) money supply in the market is expected to remain unchanged
 - iv) inflation is expected to increase.
- b) Relative income hypothesis was formulated by
- i) Friedman
 - ii) Ando and Modigliani
 - iii) Duesenberry
 - iv) none of the above
- c) a) Inflation caused by excess demand in the market is known as –
- i) cost push inflation
 - ii) mark up inflation
 - iii) demand pull inflation
 - iv) none of the above
- d) What is M4 money ?
- e) What is narrow money?
- f) What is mark up inflation?
- g) What is inflationary gap?

1. Answer any one from the following.

5x1=5

a) Distinguish between demand pull inflation and cost push inflation

b) What are the determinants of money supply.

3. Answer any one question.

10X1=10

a) Discuss about anti inflationary measures

b) Discuss the functions of central bank.