

Ex/PG/ECO 102/2025

MASTER OF ARTS EXAMINATION, 2025

(1<sup>st</sup> Year, 1<sup>st</sup> Semester)

ECONOMICS

PAPER : MACROECONOMICS I

PAPER : PG/ECO102

Time : 2 Hours

Full Marks : 30

Answer any *two* questions.

15×2=30

1. (a) Why do Keynesian analysis fail to explain the economic problems in the context of less developed economies? Explain briefly.
  - (b) How should the Keynesian consumption function be modified to be made suitable for understanding major macroeconomic issues of less developed economies?
  - (c) How is the Kaleckian approach different from the Cambridge approach in terms of theories on income distribution?
2. (a) Can involuntary unemployment of labour be a consequence of excess supply in the market for current output? Explain in the light of Patenkin's model.
  - (b) In the above question, will the results change if there is excess demand in the market for current output?

8+7=15

ECO-1397

[ Turn Over ]

( 2 )

3. (a) What is difference between money view and credit view?
  - (b) How can interest rate rigidity remove good borrowers from the loan market? Explain using a suitable model.
  - (c) What would be the equilibrium level of employment in an economy when real wage rate is fixed? Explain using a suitable macroeconomic framework.
4. (a) What do you mean by natural rate hypothesis?
  - (b) How does the neo-classical theory show that inflation is costless?
  - (c) How does the neo-classical theory explain trade cycles? Use a suitable model to explain your answer.

3+6+6=15

5+3+7=15

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