

PH.D. COURSE WORK EXAMINATION 2023
ECONOMICS

PAPER : ADVANCED IN MACROECONOMICS

Time : 2 hours

Full Marks : 30

Answer *any two* from the following questions: 2×15=30

- enable the capitalists to grab a substantial part of the land of the small farmers and other small producers in the rural areas.' Do you agree with this statement? Explain your answer using a suitable model. (Just use the relevant key equilibrium condition/conditions to answer this question. You need not derive these equilibrium conditions.) 15
3. 'If the fraction of the public sector banks' loans illegally used to purchase foreign assets increases, in all likelihood there will take place a large and cumulative decline in the domestic real GDP in India bringing about a sharp fall in the growth rate from the previous period to the given period.' Do you agree with this statement? Explain your answer using a suitable model. (Just use the relevant key equilibrium condition/conditions to answer this question. You need not derive these equilibrium conditions.) 15

1.
 - i) Was there any basis for speculative activities in the market for houses in the US prior to 2002?
 - ii) Could the mass speculative frenzy in the house market in the US happen on its own? Explain.
 - iii) What is the reason to believe that the capitalists created the mass speculative frenzy? Explain your answer.
 - iv) Why is a mass speculative frenzy, once started, likely to gain in strength over time if the financial institutions accommodate the rising speculative demand for loans?
 - v) How does a mass speculative frenzy in the stock market or market for real estate create a boom in the market for produced goods and services making the real GDP grow at a high rate?
2. The Farmer Produce Trade and Commerce (Promotion and Facilities) Act, 2020 will generate a process that will