



বিদ্যাসাগর বিশ্ববিদ্যালয়
VIDYASAGAR UNIVERSITY

Question Paper

B.Sc. Honours Examinations 2020

(Under CBCS Pattern)

Semester - III

Subject: ECONOMICS

Paper: C6T

Full Marks : 60

Time : 3 Hours

Candidates are required to give their answer in their own words as far as practicable.

The figures in the margin indicate full marks.

Attempt any **three** questions from the following :

3×20=60

1. Explain how equilibrium under simple Keynesian model is attained. Derive the stability condition of the equilibrium. 12+8
2. Discuss the phase diagram of the IS-LM model. With the help of IS-LM framework analyse the case when both fiscal and monetary policies become effective. 10+10
3. (a) Explain the relationship between short-run and long-run Phillips curves.
(b) Explain the trade-off between inflation and unemployment under adaptive expectation hypothesis. 10+10

4. Discuss the Sticky Price Model for derivation of aggregate supply curve. Derive the aggregate supply curve under Keynesian model when there is wage-price flexibility but price is subjected to adaptive expectation hypothesis. 10+10

5. Define autonomous expenditure multiplier. Derive the government expenditure multiplier when investment is dependent upon both output and rate of interest. Explain how will the multiplier value change if international transactions are taken into account. 4+8+8

6. (a) Mention the sources of deficit financing.

(b) Define balanced budget and unbalanced budget.

(c) Derive the balanced budget multiplier mathematically and explain it diagrammatically.

(b) Explain Paradox of Thrift.

4+4+8+4