

2013
[JULY]
ECONOMICS
Macroeconomic Analysis II

Full Marks: 75; Time: 3 Hours

The figures in the margin indicate full marks for the questions

Answer *five* questions, selecting at least *one* from each Credit

Credit I

1. What are the different measures of money supply in India? Derive the money multiplier and state its determinants. (3+9+3)
2. Critically discuss Tobin's theory of speculative demand for money. How does it differ from Baumol's Theory? (12+3)

Credit II

3. Should monetary and fiscal policy makers try to stabilize the economy? Discuss. (15)
4. 'The theory of inflation is incomplete without considering the dynamic role of factor gap'. Analyze. (15)

Credit III

5. Define the concepts of the accelerator and the multiplier. Give a critical explanation of the multiplier-accelerator interaction as given by Samuelson in his theory. (3+12)
6. Show how the Hicksian Theory sets up the business cycle through the interaction between the multiplier and the accelerator around a progressing equilibrium path. (15)

Credit IV

7. Give a critical evaluation of Duesenberry's model of equilibrium growth rates. (15)
8. Give a detailed analysis of Kalecki's theory of aggregative income distribution as an attempt to explain the share of wages in national income. (15)
