

4/ECO-253 Syllabus-2023

2025

(May-June)

FYUP : 4th Semester Examination

ECONOMICS

(Macroeconomics-II)

(ECO-253)

Marks : 75

Time : 3 hours

*The figures in the margin indicate full marks
for the questions*

**Answer five questions, taking at least one
from each Unit**

UNIT—I

1. Discuss the cash balance approach to the quantity theory of money. What are its drawbacks? 9+6=15
2. Compare the cash transactions approach and the cash balance approach to the quantity theory of money. Which approach is superior and why? 10+5=15

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3. How is Friedman's restatement of the quantity theory of money an improvement over the traditional quantity theory of money? 15

UNIT-II

4. Distinguish between the concepts of 'absolute income' and 'relative income'. Discuss the absolute income hypothesis. 5+10=15

5. "Income-consumption relationship exhibits proportionality in the long run and non-proportionality in the short run." Discuss the statement in light of the relative income hypothesis. 15

6. Discuss the acceleration theory of investment. What are its limitations? 10+5=15

UNIT-III

7. What is the LM curve? Illustrate how it is derived. 3+12=15

8. What is the IS curve? What leads to shift in the IS and LM curves? 3+(6+6)=15

9. Under the IS-LM model, how is equilibrium achieved in the goods and money markets? 15

D25/1305

(Continued)

D25—4500/1305

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UNIT-IV

10. Discuss the objectives of economic policies. 15

11. What are the objectives of monetary policy? Briefly explain the instruments of monetary policy. 6+9=15

12. Distinguish between fiscal and monetary policies. Under what circumstances is fiscal policy more effective than monetary policy? 6+9=15
