

Himachal Pradesh University, Summer Hill, Shimla-5
Centre for Distance and Online Learning
Department of Economics

MA (Economics) II Semester
Paper: Macro Economics
Course Code-ECON121(DSC)

Last Date of Submission: April 30, 2026

Important Instruction: All the students are required to prepare all three assignments separately. These assignments are compulsory to submit in a time bound manner, otherwise admit card for the exams will not be generated. A sample of the title page is also attached.

Assignment- I

Maximum Marks – 07

Note: Attempt any two questions out of following:

- Q1. Explain the Keynesian model of employment and show the impact of an increase in money supply on the level of employment in this model.
- Q2. Explain Keynes' psychological law of consumption. Explain the importance in the determination of income and employment in the economy.
- Q3. What is life cycle income hypothesis? Also differentiate it from permanent income hypothesis.
- Q4. What is marginal efficiency of capital? How it is calculated? What are the factors that determine marginal efficiency of capital in the economy?

3.5 × 2 = 7

Assignment-II

Maximum Marks – 7

Note: Attempt any two questions out of following:

- Q1. Explain Harrod-Domar growth model and point out its weaknesses.
- Q2. What factor, according to neo-classical theory determine investment in the economy?
- Q3. What is meant by neutrality of money? How did classical economist explain that money had no effect on real income, output and employment?
- Q4. Explain how the interaction of multiplier and accelerator explains cyclical fluctuations in the economy?

3.5 × 2 = 7

Assignment-III

Maximum Marks–6

Note: Attempt any two questions out of following:

- Q1. What is Phillips Curve? What kind of trade-off between unemployment rate and inflation rate does it imply?
- Q2. What do you mean by rational expectations? Also examine their role in the effectiveness of macroeconomics policies.
- Q3. What are the main factors that cause cost-push inflation? Suggest measures to control cost-push inflation?
- Q4. What is meant by crowding out effect? Show how the expansionary effect of fiscal policy is reduced by the crowding out effect?

3× 2=6

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**MA (Economics)Semester
Session.....**

Assignment Subject:

Course Code:

Assignment No.

Submitted by:

Name:

Registration No.....

Roll No.....

Address

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Email id.....

Contact No.

Date:.....

Signature.....