

SECTION-B

UNIT-I

2. Explain the various concepts of national income. Under what circumstances national income tends to be underestimated?
3. Explain the circular flow of income (diagrammatically) in an economy including the foreign sector.

UNIT -II

4. '*Supply creates its own demand*'. Critically examine this statement.
5. Compare and contrast the life cycle and permanent income hypothesis.

UNIT -III

6. Discuss the concept of multiplier as put forward by Khan and Keynes.
7. What do you mean by induced investment? Discuss in detail the determinants of inducement to invest.

UNIT - IV

8. Distinguish between demand pull and cost push inflation. How have these two views on inflation been reconciled?
9. Compare and contrast the transactions and cash balances approach of quantity theory of money.