

Time : 1 hour

Marks : 20

1. Answer the following questions (Any four) : $1 \times 4 = 4$
- what is meant by steady growth ?
 - define warranted growth rate.
 - what is the capital-output ratio in Solow's growth model.
 - what is meant by technical progress ?
 - define monetary policy.
2. Answer the following questions (Any three) : $2 \times 3 = 6$
- write two objectives of monetary policy.
 - what are the instruments of fiscal policy ?
 - what are the assumptions underlying Solow's model of steady growth ?
 - write two limitations of fiscal policy.
 - what are the similarities in Harrod-Domar growth models ?
3. Answer the following questions (Any two) : $5 \times 2 = 10$
- Explain Harrod's model of growth.
 - what are the advantages of monetary policy
 - critically discuss Solow's model of growth.