

Home Assignment 2021
3rd Semester (Hons.)
Subject: Economics
Paper: ECO-HC-3026 Intermediate Macroeconomics-I
Last Date of Submission: 15th December

1. Answer the following questions:

5×4=20

- a) Derive the aggregate demand curve. Why does it slope downward?
- b) What is stagflation? Explain with AD-AS model.
- c) Derive a short run aggregate supply curve. Compare the Keynesian and Classical aggregate supply curve.
- d) What is natural rate hypothesis? How does Friedman explain it with his concepts of Phillips curve and adaptive expectations?