

**Home Assignment 2022**  
**3<sup>rd</sup> Semester (Hons.)**  
**Subject: Economics**  
**Paper: ECO-HC-3026 Intermediate Macroeconomics-I**  
**Last Date of Submission: 25<sup>th</sup> October**

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**1. Answer the following questions:**

**5×4=20**

- a) Discuss stagflation with AD-AS model.
- b) Derive the aggregate demand curve. Why does it slope downward?
- c) Explain the concept of long run aggregate supply curve with a suitable diagram.
- d) With AD-AS model, explain the impact of increase and decrease in aggregate demand on GDP and price level in the economy.