

C 62742

(Pages : 2)

Name.....

Reg. No.....

SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2014

(UG-CCSS)

Core Course – Economics

EC 2B 02 – MACROECONOMICS – I

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

I. Objective Type Questions. Answer all *twelve* questions :

A. Choose the correct answer :

1. Macroeconomics is concerned with :

- (a) The level of output of goods and services.
- (b) The general level of prices.
- (c) The growth of real output.
- (d) All the above.

2. According to Keynes inflation occurs :

- (a) Below the stage of full employment.
- (b) After the stage of full employment.
- (c) At the level of full employment.
- (d) At the level of partial employment.

3. A Shift in Aggregate supply is likely to :

- (a) Reduce the general price level and reduce national income.
- (b) Reduce the general price level and increase national income.
- (c) Increase the general price level and reduce national income.
- (d) Increase the general price level and increase national income.

4. An outward shift in the Marginal Efficiency of Capital should :

- (a) Decrease consumption. (b) Increase aggregate demand.
- (c) Reduce Aggregate Supply. (d) Slow down economic growth.

B. Fill in the blanks :

5. If an increase in investment leads to a multiple increase in national income, it is called _____.

Turn over

6. Relation between income and investment is usually _____.
7. 'IS' curve shows equilibrium in _____ market.
8. In a two sector model, if consumption is $40 + 0.8 Y_d$. and saving is Rs. 60 then equilibrium output is _____.

C. Answer in a word/sentence :

9. Who is the author of the book "General Theory of Employment Interest and Money"?
10. Which is considered as the most liquid asset?
11. Name the economist who stated that "Supply creates its own demand".
12. Transaction demand for money is proportional to.

(12 × ¼ = 3 weightage)

II. Short Answer Questions. Answer all *nine* questions :

- | | |
|--------------------------|------------------------------|
| 13. Pigou effect. | 14. Potential GNP. |
| 15. Dependant variables. | 16. MPS. |
| 17. Full employment. | 18. Effective Demand. |
| 19. Paradox of thrift. | 20. Velocity of circulation. |
| 21. General equilibrium. | |

(9 × 1 = 9 weightage)

III. Short Essay or Paragraph Type Questions. Answer any *five* questions from seven :

22. Explain the difference between endogenous and exogenous variables.
23. What do you mean by classical dichotomy?
24. Write a note on money illusion.
25. What do you mean by green GDP?
26. Explain the determinants of investment.
27. What do you mean by GDP gap?
28. Write a note on money illusion.

(5 × 2 = 10 weightage)

IV. Essay Questions. Answer any *two* questions :

29. Critically examine the cash balance approach to the quantity theory of money.
30. Explain the classical theory of employment and point out its main short comings.
31. Explain Keynesian theory of employment. Show how Keynes proves that equilibrium can be achieved at a point much below the point of full employment.

(2 × 4 = 8 weightage)

C 6192-A

(Pages : 3)

Name.....

Reg. No.....

**SECOND SEMESTER B.A. DEGREE (SUPPLEMENTARY) EXAMINATION
MAY 2016**

(UG—CCSS)

Core Course—Economics

EC 2B 02—MACRO ECONOMICS—I

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

I. Objective type questions. Answer all *twelve* questions :

(A) Choose the correct answer.

1 Macro economics is concerned with :

- (a) The level of output of goods and services.
- (b) The general level of prices.
- (c) The growth of real output.
- (d) All the above.

2 Which among the following is the smallest national income aggregate ?

- (a) Personal disposable Income.
- (b) GNP.
- (c) National Income .
- (d) GDP

3 Autonomous investment is guided by :

- (a) Rate of interest.
- (b) Technology.
- (c) Government Policy.
- (d) Income.

4 IS LM model was introduced by :

- (a) Keynes.
- (b) Hansen.
- (c) J.R. Hicks.
- (d) Paul Samuelson.

Turn over

(B) Fill in the blanks :

- 5 In classical theory, investment is related to _____.
- 6 By definition marginal propensity to consume equals _____.
- 7 When saving is greater than investment in a two sector model, output should _____.
- 8 If the MPC is 0.9 the size of the multiplier is _____.

(C) Answer in a word / sentence :

- 9 Net National Product equals.
- 10 Investment which directly depends upon income.
- 11 The number of times a unit of money changes hands is called :
- 12 LM curve Shows equilibrium in :

(12 × ¼ = 3 weightage)

II. Short answer questions. Answer all *nine* questions :

- 13 Potential GNP.
- 14 Economic Models.
- 15 Money illusion.
- 16 Real balance effect.
- 17 Paradox of thrift.
- 18 Personal disposable income.
- 19 Green GNP.
- 20 Ex-ante and ex-post variables.
- 21 IS curve.

(9 × 1 = 9 weightage)

III. Short essay or paragraph type questions. Answer any *five* questions from *seven* :

- 22 Distinguish between real and nominal GDP.
- 23 Explain the Keynesian consumption function.

- 24 Explain the difference between dependent and independent variables with examples.
- 25 What do you mean by classical dichotomy ?
- 26 Write a note on the components of aggregate demand.
- 27 Explain the concept of investment multiplier.
- 28 What do you mean by marginal efficiency of capital ?

(5 × 2 = 10 weightage)

IV. Essay questions. Answer any *two* questions :

- 29 Explain the Keynesian theory of income and employment.
- 30 "Supply creates its own demand" elucidate.
- 31 Explain the concept of IS-LM curve so as to obtain economic equilibrium in a two sector economy.

(2 × 4 = 8 weightage)

C 82174

(Pages : 2)

Name.....

Reg. No.....

Acc. No.....

**SECOND SEMESTER B.A. DEGREE (SUPPLEMENTARY/IMPROVEMENT)
EXAMINATION, APRIL/MAY 2015**

(UG-CCSS)

Core Course—Economics

EC 2B 02—MACROECONOMICS—I

(2013 Admissions)

Time : Three Hours

Maximum : 30 Weightage

I. Objective Type Questions. Answer *all* twelve questions :

A. Choose the correct answer :

1 Which of the following is a macroeconomic issue ?

- (a) The price of house in Calicut.
- (b) The wage rate of plumbers in Ernakulam.
- (c) Your decision to work or stay at home.
- (d) The level of unemployment in Kerala.

2 Which among the following is the smallest national income aggregate ?

- (a) Personal disposable income.
- (b) GNP.
- (c) National income.
- (d) GDP.

3 Which of the following would increase aggregate demand ?

- (a) Increased saving.
- (b) Increasing import spending.
- (c) Increased taxation revenue.
- (d) Increased investment.

4 In a closed economy three sector model household saving :

- (a) Equals net investment.
- (b) Equals gross investment.
- (c) Plus depreciation equals gross investment plus govt. spending.
- (d) Plus taxes plus taxes depreciation equals gross investment plus govt. spending.

B. Fill in the blanks :

5 The total value of goods and services that firms would willingly produce in a given time period is called _____.

6 _____ variables are those determined by conditions outside the economy.

Turn over

7 View or beliefs about uncertain variables are called _____.

8 The principle "paradox of thrift" was introduced by _____.

C. Answer in a word/sentence :

9 A downward shift in the aggregate demand is caused by.

10 What is the shape of LM curve ?

11 The situation in which there is the coexistence of high unemployment and persistent inflation.

12 In classical theory, investment is related to.

(12 × ¼ = 3 weightage)

II. Short Answer Questions. Answer *all* nine questions :

13 Potential GNP.

14 Economic Models.

15 Pigou effect.

16 Transfer payments.

17 MEC.

18 Price rigidity.

19 Speculative demand for money.

20 Velocity of circulation.

21 Net exports.

(9 × 1 = 9 weightage)

III. Short Essay or Paragraph Type questions. Answer any *five* questions :

22 Distinguish between micro and macro economics.

23 Explain the difference between dependent and independent variables.

24 Explain the assumption of wage price flexibility by the classical economists.

25 Explain the psychological law of consumption.

26 Write a note on money illusion.

27 Explain the important determinants of investment.

28 Critically examine says law of market.

(5 × 2 = 10 weightage)

IV. Essay Questions. Answer any *two* questions :

29 Evaluate the Fisher's equation of exchange.

30 Give a brief outline of the Keynesian theory of employment, bring out clearly the role of "effective demand", in determining the level of employment in an economy.

31 Explain the income and output determination of an economy using ISLM model.

(2 × 4 = 8 weightage)