Reg. No. : ....

Name : ....

Fourth Semester B.A. Degree Examination, July 2019

First Degree Programme Under CBCSS

Economics

Core Course – EC 1442 – MACRO ECONOMICS I

(2015 Admission onwards)

Time : 3 Hours

Max. Marks : 80

PART – A

Answer **all** questions, Each question carries one mark.

1. GDP

2. Partial Equilibrium

3. Macro Statics

4. Autonomous investment

5. Stock variable

6. Wage flexibility

7. Nominal GNP

8. Aggregate demand function

9. Structural unemployment

10. Saving

<div align="right">(10 × 1 = 10 Marks)</div>

PART – B

Answer **any eight** questions not exceeding one paragraph. Each question carries 2 marks.

11. Differentiate between Actual GNP and Potential GNP.

12. Explain Social Accounting.

13. Explain money illusion.

14. Explain the role of taxation in the determination of National Income.

15. Explain Classical dichotomy.

16. Differentiate between Exogenous and Endogenous variables.

17. Is it often asserted that budget deficit crowds out private investment? Do you agree? Explain.

18. Explain Neutrality of Money.

19. Explain Keynesian Effect.

20. Elucidate GNP Deflator.

21. Explain the future of Green GDP.

22. Differentiate between National Income at current and constant prices.

<div align="right">(8 × 2 = 16 Marks)</div>

PART – C

Answer **any six** questions not exceeding 120 words. Each question carries 4 marks.

23. What are the limitations of estimating National Income in India?

24. Examine the relevance of say's law of market in the classical theory.

25. Distinguish between autonomous investment and induced investment. Explain the factors that determine the level of investment in the economy.

26. What are the major assumptions of Classical theory?

27. Explain three pillars of classical economics.

28. Explain how National Income is determined in an open economy in Keynesian macroeconomic system.

29. Explain circular form of income and expenditure in a four sector model.

30. Explain Keynesian labour market theory.

31. What are the factors that determine aggregate demand?

(6 × 4 = 24 Marks)

PART – D

Answer **any two** questions, not exceeding four pages. Each question carries 15 marks.

32. Explain Keynesian concept of aggregate demand. How is the aggregate demand function different from Classical demand function?

33. Explain Classical theory of income and employment? Briefly point out Keynes criticism of Classical theory.

34. Briefly explain Fisher's transaction approach to demand for money. Classical economists consider money as a medium of exchange. Examine critically.

35. Explain the various concepts under national income accounting.

(2 × 15 = 30 Marks)

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