



(Pages : 3)

E – 3261

Reg. No. :

Name :

**Fourth Semester B.A. Degree Examination, July 2018
First Degree Programme Under CBCSS**

Economics

Core Course – V

**EC 1442 : MACROECONOMICS – I
(2013 and 2014 Admns.)**

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer in **one** or **two** sentences (Attempt **all** questions).

1. Green GDP.
2. APC and MPC.
3. Laissez faire.
4. Endogenous variable.
5. Money illusion.
6. Involuntary employment.
7. Nominal and Real GNP.
8. Aggregate supply function.
9. Neutrality of money.
10. Demand for money.

(10×1=10 Marks)

P.T.O.



SECTION – II

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

11. Explain Speculative demand for money.
12. What is value added method ?
13. Explain the concept of wage rigidity.
14. Define velocity of money.
15. What is deductive method ?
16. Define GNP.
17. What are the different methods of measuring GNP ?
18. Explain Say's law of market.
19. Explain the scope of macro economics.
20. Explain the concepts of effective demand.
21. Explain the concept of Marginal efficiency of capital.
22. What do you mean by stock and flow variables ?

(8×2=16 Marks)

SECTION – III

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

23. Explain Wage-Price flexibility.
24. Explain the principle of effective demand.
25. Point out the main assumptions of classical theory of employment.
26. How far Keynesian economics an improvement over classical theory ?
27. Explain the concepts of supply price and prospective yield.
28. What are the determinants of investment ?



29. Diagrammatically explain Keynesian consumption function.
30. What are the major determinants of investment according to Keynes ?
31. Explain circular flow of income in an economy. **(6×4=24 Marks)**

SECTION – IV

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

32. Explain the determination of income in three sector model using Keynesian cross diagrams .
33. What do you mean by under employment equilibrium ?
34. Explain the main determinants of investment function.
35. Explain the role of macro economics. **(2×15=30 Marks)**
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