

19U211

(Pages: 2)

Name : .....

Reg.No : .....

**SECOND SEMESTER B.A. DEGREE EXAMINATION, APRIL 2020**

(CBCSS - UG)

**CC19U ECO2 B02 : MACRO ECONOMICS - I**

(Economics - Core Course)

(2019 Admission - Regular)

Time: 2.5 Hrs

Max. Marks: 80

Credit: 5

**Section - A**

**I. Short answer questions. Each question carries 2 marks.**

1. Distinguish between equilibrium and disequilibrium.
2. Define national income at constant prices.
3. Define velocity of money.
4. Elaborate the concept of full employment.
5. Distinguish between nominal variable and real variables
6. What is excess demand
7. Define gross investment.
8. Define propensity to consume.
9. Differentiate autonomous investment and induced investment.
10. What are the components of aggregate demand?
11. What is inflationary gap
12. Define Psychological law of consumption.
13. Distinguish between inside money and outside money.
14. What are the different types of money
15. What is meant by neutrality of money?

**(Ceiling: 25 Marks)**

## Section - B

### II. Paragraph questions. Each question carries 5 marks

16. Explain economic models.
17. Explain the determination of income in a two sector model
18. Changes in monetary variables do not affect real variables. Explain.
19. Explain the measures to promote investment.
20. What are the objectives of Fiscal Policy?
21. Explain quantity theory of money.
22. Explain the Classical theory of demand for money.
23. What is paradox of thrift?

**(Ceiling: 35 Marks)**

## Section - C

### III. Essay questions. Answer any two questions.

24. Explain the need for reconciliation of the three methods of measuring national income?
25. Explain says law of markets. How Keynes invalidates says law?
26. What is multiplier? Explain the fiscal multipliers.
27. Critically examine the liquidity preference theory

**(2 × 10 = 20 Marks)**

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