

18U526

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Name:

Reg. No.....

FIFTH SEMESTER B.A. DEGREE EXAMINATION, NOVEMBER 2020

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC15U ECO5 B07 - MACRO ECONOMICS - I

(Economics - Core Course)

(2015 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

(Answer may be written either in English or in Malayalam)

PART A

Answer *all* questions. Each question carries ½ marks.

1. Who developed “Macro Economics” as a specialized branch of Economics?
(a) Alfred Marshall (b) J.M. Keynes (c) A.C. Pigou (d) Adam Smith
2. In which context the terms “Ex- ante and Ex-post” used.
(a) Income and saving (b) Income and Investment
(c) Saving and Investment (d) Saving and Exchange.
3. GNP – Depreciation
(a) GDP (b) NDP (c) NI (d) NNP
4. Equilibrium condition of three sector model of circular flow of Income
(a) $S+T = I+G$ (b) $S+I = G+T$ (c) $G+S = I +T$ (d) None of these
5. Fisher’s Equation of Exchange represented as
(a) $MV = PT$ (b) $MP = VT$ (c) $PV = MT$ (d) None of these
6. Who was developed the concept of “Classical Dichotomy”?
(a) A.C. Pigou (b) Adam Smith (c) Don Patinkin (d) Alfred Marshall
7. Neutrality of money affects
(a) Real variables (b) Nominal variables
(c) Independent variables (d) None of these
8. What are the determinants of Effective demand?
(a) ADF & ASF (b) ADF & Income (c) ASF & Income (d) ADF & Output
9. Equation of APC
(a) Y-C (b) 1- APS (c) Y-S (d) C-S
10. Which authority implemented Fiscal policy as a measuring tool to control the money supply in the economy?
(a) Central Bank (b) Commercial Bank (c) Government (d) None of these

11. The Relative Income Hypothesis was associated with:
 (a) J.M. Keynes (b) James Duesenberry
 (c) Milton Friedman (d) None of these
12. Who was developed the concept of “Money illusion”?
 (a) Milton Friedman (b) A.C. Pigou (c) J.M. Keynes (d) Irving Fisher
(12 x ½ = 6 Marks)

PART B (Very short answer Questions.)

Answer any *ten* questions. Each question carries 2 marks.

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|----------------------|--------------------------|
| 13. MPC | 19. MEC |
| 14. Equilibrium. | 20. Real Balance effect. |
| 15. GDP | 21. Full employment. |
| 16. Personal Income. | 22. Tax multiplier. |
| 17. APS | 23. Price rigidity. |
| 18. Macro Economics. | 24. Ratchet effect. |
- (10 x 2 = 20 Marks)**

PART C (Short Essay Questions)

Answer any *six* questions. Each question carries 5 marks.

25. Explain Macro economic variables.
26. Explain Methods of estimating National income.
27. Explain circular flow of income in four sector open economy.
28. Explain Cash Balance Approach.
29. Explain Say’s Law of markets.
30. Describe fundamental Psychological Law of Keynes.
31. Distinguish between Inflationary and Deflationary gaps.
32. Describe the Permanent income Hypothesis.
- (6 x 5 = 30 Marks)**

PART D (Essay Questions)

Answer any *two* questions. Each question carries 12 marks.

33. Explain the Consumption theories of Absolute income and Relative income hypothesis.
34. Explain Keynesian theory of Employment.
35. Define Fiscal policy. How fiscal policy control over the money supply of the economy?
36. Explain National income concepts and their interrelationships.
- (2 x 12 = 24 Marks)**
