

20U211

(Pages: 2)

Name:

Reg.No:

SECOND SEMESTER B.A. DEGREE EXAMINATION, APRIL 2021

(CBCSS - UG)

(Regular/Supplementary/Improvement)

CC19U ECO2 B02 - MACRO ECONOMICS - I

(Economics - Core Course)

(2019 Admission onwards)

Time : 2.5 Hours

Maximum : 80 Marks

Credit : 5

Part A (Short answer questions)

Answer *all* questions. Each question carries 2 marks.

1. Distinguish between stock and flow variable.
2. Explain the importance of national income analysis.
3. Briefly state the quantity theory of money.
4. Elaborate the concept of full employment.
5. Define the real wage and nominal wage.
6. What is frictional unemployment?
7. State the meaning of the term effective demand.
8. What are the determinants of consumption?
9. State the saving function.
10. Define Pigou effect.
11. What are the instruments of fiscal policy?
12. Distinguish between APC and MPC.
13. What are the important components of money?

14. Explain the difficulties of barter.
15. What is liquidity trap?

(Ceiling: 25 Marks)

Part B (Paragraph questions)

Answer *all* questions. Each question carries 5 marks.

16. What are the limitations of macro economics?
17. Explain the determination of income in a two sector model
18. Critically evaluate the classical dichotomy.
19. Explain under employment equilibrium.
20. Discuss investment demand function.
21. 'Money is only a medium of exchange'. Comment on this statement.
22. Explain the Classical theory of demand for money.
23. Explain Friedman's restatement of the quantity theory of money.

(Ceiling: 35 Marks)

Part C (Essay questions)

Answer any *two* questions. Each question carries 10 marks.

24. What precautions should be kept in mind while measuring National Income?
25. How Keynes did criticized the classical theory of output and employment.
26. What is multiplier? Explain the fiscal multipliers.
27. Critically examine the liquidity preference theory

(2 × 10 = 20 Marks)
