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Reg. No. 1500217495

Name. S. Raj. K.Y.

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2017

Third Semester

B.A. – Economics (Model II)

Core Course – PRINCIPLES OF MACRO ECONOMICS

[2013 Admission onwards]

Maximum Marks : 80

Time : Three Hours

Part A

Answer all questions each in a sentence or two.

Each question carries 1 mark.

1. Difference between Micro Economics and Macro Economics.
2. What do you mean by macro dynamics?
3. Difference between GNP and GDP.
4. What do you mean by Disposable Personal Income?
5. What do you mean by depreciation?
6. Define Say's Law of Market.
7. Difference between APC and MPC.
8. What do you mean by Social Accounting?
9. What do you mean by Fiscal Policy?
10. What do you mean by money multiplier?

(10 × 1 = 10)

Part B (Short Notes)

Answer any eight questions in about 60 words.

Each question carries 2 marks.

11. "Macro economics is the study of aggregates". Explain.
12. "National Income is the indicator for national welfare". Explain.
13. Write any two assumptions of classical theory of employment.
14. What is classical dichotomy?
15. Write any two factor influence consumption function.
16. Explain the concept of Investment Demand.

Turn over

17. Write any two difficulty in measuring national income.
18. Explain the concept of cash transaction approach.
19. Explain the concept of Balanced budget multiplier.
20. Explain the concept of full employment.
21. Explain the concept of GNP at market price.
22. What do you mean by NET Economic Welfare (NEW)?

(8 × 2 = 16)

Part C

Answer any **six** questions.

Each question carries 4 marks.

23. Briefly explain the concept of stock and flow in Macro Economics.
24. What are various methods of measuring National Income?
25. Difference between GNP at market price and GNP at factor cost.
26. State and explain classical theory of employment.
27. Difference between Cash transaction approach and Cash balance approach.
28. Briefly explain the concept of APS and MPS.
29. Explain wage cut employment by Pigoue.
30. Explain the concept of Money market equilibrium.
31. Explain the concept of Investment Multiplier.

(6 × 4 = 24)

Part D (Essay Type)

Answer any **two** questions.

Each question carries 15 marks.

32. Critically examine the process of calculating National Income of India.
33. State and explain Keynes psychological Law of consumption function.
34. Briefly explain the concepts of Quantity theory of money.
35. State and explain the concepts of Foreign Trade Multiplier.

(2 × 15 = 30)