PART-D

KISH DOLL

K15U 0017

Reg. No.	· · · · · · · · · · · · · · · · · · ·	: The second second	
Name:	o) (90)		
	Core Course in Eco 3B04 ECO : MACI	tion, Novembe nomics/Develo	r 2015 pment Economics S ANALYSIS – I
Time: 3	Hours		Max. Weightage: 30
Ins	truction : Answer may be w	ritten either in <b>Eng</b>	glish or in Malayalam.
6.00	jective type questions (in but		
1)	Personal income – Direct ta		Short answer questions. Answords each Each Caching
	a) Disposable income	O/IC/heat	Private income
	c) Domestic income	d)	None of these
2)	The existence of full employment without inflation is the assumption of		
	a) Keynesian theory	b)	Classical theory
	c) Neo-classical	d)	None of these
3)	Marginal propensity to cons	ume is	
	a) $\Delta Y_{\Delta C}$ b) $\Delta$	% <sub>∆Y</sub> c)	$\Delta C - \Delta Y$ d) $\Delta Y - \Delta C$
4)	The combined effect of the multiplier and accelerator is called		
	a) Super multiplier	b)	Leverage effect
	c) Both	d)	None of these (Weightage: 1)
11.5)	The leakages from the circular flows of income and expenditure is called		
	a) Withdrawals	b)	Injections
	c) Both	d)	None of these

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- 6) Which is an adjustment factor which is used to convert nominal GNP into real GNP?
  - a) NNP

b) GDP

c). GNP Deflator

d) None of these

- 7) Multiplier is defined as
  - a)  $K = \frac{1}{MPS}$

b)  $K = \frac{1}{1 - MPC}$ 

c) Both

d) None of these

- 8) Absolute income hypothesis was developed by
  - a) Duesenberry

b) J.M. Keynes

c) Milton Friedman

d) Modigliani

(Weightage: 1)

## PART-B

Short answer questions. Answer any ten questions following not exceeding 50 words each. Each question carries 1 weightage.

- 9. Distinguish between GNP and GDP.
- 10. Distinguish between partial equilibrium and general equilibrium analysis.
- 11. Explain different methods of measuring National Income.
- 12. What is Static and Dynamic Multiplier?
- 13. Define MEC.
- State Classical Quantity theory of money.
- 15. Define Liquidity trap.
- 16. Explain shift in LM curve.
- 17. Define Effective demand.
- 18. What are stock and flow variables?
- 19. Explain full employment equilibrium.
- 20. State law of consumption.

(Weightage 10×1=10)



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## PART-C

Short essay: Answer any five questions not exceeding 150 words each. Each question carries 2 weightage.

- Explain Foreign Trade multiplier.
- 22. Explain relative income hypothesis.
- 23. What is Accelerator theory of investment?
- 24. Explain critically the Say's law of market.
- 25. Explain investment function and its determinants.
- 26. Explain Super Multiplier.
- Explain the importance of National Income Analysis.

(Weightage 5×2=10)

## PART-D

Long essay: Answer any two questions not exceeding 450 words. Each question carries 4 weightage.

- 28. Explain Keynesian theory of income, output and employment.
- Explain general equilibrium in the product and money markets with the help of IS-LM model.
- 30. Explain Post-Keynesian theories of investment.
- 31. Explain the theories of consumption.

(Weightage 2×4=8)