



0066853

K19U 2409

Reg. No. :

Name :

III Semester BA Degree(CBCSS- Reg./Sup./Imp.) Examination,
November-2019
(2014 Admn. Onwards)

CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS

3B 03 ECO- MACRO ECONOMIC ANALYSIS-I

Time : 3 Hours

Max. Marks : 40

PART - A

I. Answer **All** questions (Each question carries 1 mark) (4×1=4)

1. Define Says law.
2. What is involuntary unemployment?
3. State Fischer's equation of exchange.
4. Define money illusion.

PART - B

II. Answer any **Seven** questions (Each question carries 2 marks) (7×2=14)

5. Distinguish between Micro economics and macro economics.
6. What is classical dichotomy?
7. Explain the value added method of measuring national income.
8. Distinguish between autonomous and induced investment.
9. Explain liquidity trap.
10. What is monetary policy?

P.T.O.



11. What is demonstration effect?
12. Explain Keynesian consumption function.
13. What is Marginal efficiency of capital?
14. Briefly explain the concept of accelerator.

PART - C

III. Answer any **Four** questions (Each question carries **3** marks) **(4×3=12)**

15. Explain briefly the circular flow of income in the economy.
16. Define multiplier. If investment is increased by Rs 100 crore and $MPC = 0.75$, what will be the total increase in income in the economy.
17. Distinguish between Keynesian and classical interpretation of wage price flexibility and labour market equilibrium.
18. Explain briefly the Relative Income hypothesis.
19. What is the relevance of Fiscal policy according to Keynes.
20. Explain the Classical and Keynesian interpretation of Savings Investment equality.

PART-D

(2×5=10)

IV. Answer any **Two** questions (Each question carries **5** marks)

21. Examine the consumption behavior of households using life cycle hypothesis. What are the major criticisms of this model?
 22. What are the major postulates of the classical theory of full employment? Also state the major criticisms of this school.
 23. Explain the various methods of measuring national income in India What are the major difficulties in the estimation of National income?
 24. Explain briefly the Keynesian theory of income and employment determination with the help of the cross diagram.
-