



**K20U 1209**

Reg. No. : .....

Name : .....

**III Semester B.A. Degree (CBCSS – Sup./Imp.)  
Examination, November 2020  
(2014-'18 Adms.)  
CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS  
3B03 ECO – Macro Economic Analysis – I**

Time : 3 Hours

Max. Marks : 40

**PART – A  
(Very Short Answer Type Questions)**

Answer **all** questions :

**(4×1=4)**

1. Define NNP.
2. Define GVA (gross value added).
3. What is meant by money illusion ?
4. State absolute income hypothesis.

**PART – B  
(Short Answer Type Questions)**

Answer **any seven** questions :

**(7×2=14)**

5. Distinguish between micro and macroeconomics.
6. Illustrate the circular flow of income in a two sector economy.
7. Discuss briefly the various methods of national income accounting.
8. Narrate the Fisher's equation of exchange.
9. Bring out the implications of money neutrality.
10. Compare and contrast between Keynesian and post Keynesian approaches.

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11. Evaluate the relevance of classical full employment model.
12. Discuss the importance of autonomous and induced components of investment.
13. Review the role of expectations in determining investment.
14. Illustrate the balanced budget multiplier in a closed economy.

**PART – C**  
**(Short Essay Type Questions)**

Answer **any four** questions : **(4×3=12)**

15. Illustrate the main features of labour market equilibrium in the classical model.
16. Discuss the important determinants of investment in the Keynesian theory.
17. Evaluate the relevance of Keynesian policy measures in a period of recession.
18. Explain the problem of classical dichotomy and bring out its implications.
19. Review the role of measures of monetary policy in a period of recession.
20. Critically explain the life cycle hypothesis of consumption.

**PART – D**  
**(Essay Type Questions)**

Answer **any two** questions : **(2×5=10)**

21. Discuss critically the classical Macro economic model.
  22. Critically illustrate the Keynesian model of unemployment equilibrium.
  23. Evaluate the Keynesian policy prescriptions in a period of fiscal crisis and pandemic.
  24. Analyse the permanent income hypothesis and bring out its drawbacks.
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