B. A. DEGREE END SEMESTER EXAMINATION OCT. 2020: JANUARY 2021

SEMESTER – 5: ECONOMICS (CORE COURSE)

COURSE: 15U5CRECO08 – PRINCIPLES OF MACRO ECONOMICS

(Common for Regular 2018 admission and Improvement 2017/ Supplementary 2017/2016/2015 admissions)

Time: Three Hours   Max. Marks: 75

PART A   Very Shot Answers

Answer all questions in one or two sentences.

1. Gross Domestic Product
2. NEW
3. Demonstration effect
4. Effective demand
5. Crowding out effect
6. Consumption Puzzle
7. Built-in-stabilizers
8. Inflationary gap
9. Fiscal policy
10. Depression   (1 x 10 = 10)

PART B Short Answers

Answer any eight of the following, in four or five sentences

11. Double counting in national income calculation
12. Classical dichotomy
13. Macroeconomic policies
14. Psychological law of consumption
15. Endogenous and exogenous variables
16. Say's law of markets
17. Super multiplier
18. Autonomous investment and induced investment
19. Factors affecting MEC
20. Phases of trade cycle   (2 x 8 = 16)

PART C

Answer any five of the following in not more than one page.
Each question carries five marks.

21. Critically examine the Relative income hypothesis of consumption
22. Explain the features of macro economic models
23. Write a note on Keynesian theory of income and employment determination

24. Discuss the Permanent income hypothesis
25. Briefly explain the determinants of consumption
26. Explain Keynes' theory of demand for money
27. Explain saving- investment equality   (5 x 5 = 25)

PART D

Answer any two of the following in not exceeding four pages.
Each question carries 12 marks.

28. What is national income explain different methods for the computation of national income
29. Explain the main postulates of classical macro economics. Discuss Keynesian criticism on classical theory.
30. Discuss Keynesian theory of investment.
31. Describe the Circular flow of income in a four sector economy

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