

Reg. No

Name

23U421

B. A. DEGREE END SEMESTER EXAMINATION : MARCH 2023

SEMESTER 4 : ECONOMICS

COURSE : 19U4CRECO5 : PRINCIPLES OF MACRO ECONOMICS

(For Regular - 2021 Admission and Improvement / Supplementary - 2020 / 2019 Admissions)

Time : Three Hours

Max. Marks: 75

PART A

Answer All (1 mark each)

1. Green GNP.
2. Neutrality of Money.
3. Average Propensity to Consume (APC).
4. Effective demand.
5. Disposable income.
6. Wage – price flexibility.
7. Consumption demand.
8. Macro static.
9. Under employment equilibrium.
10. Consumption of fixed capital.

(1 x 10 = 10)

PART B

Answer any 8 (2 marks each)

11. Explain the relationship between APC and APS.
12. Discuss the precautions to be taken while calculating national income through Income method.
13. Quantity theory of money.
14. Explain the difference between stock and flow variables with suitable example.
15. Define Multiplier.
16. Explain circular Income Flow in a Two-Sector Economy.
17. Briefly explain Cambridge quantity theory of money.
18. Write a note on effective demand.
19. Write a note on Investment demand.
20. What do you mean by IS-LM model?

(2 x 8 = 16)

PART C

Answer any 5 (5 marks each)

21. State the difference between Identity and Equations.
22. Compare and contrast between Cash transaction approach and Cash balance approach.
23. Explain saving- investment equality.
24. Evaluate the technical attributes of consumption function.
25. Examine the factors that influence LM curve to shift.

26. Discuss classical theory of interest.
27. Elucidate the algebraic derivation of the multiplier.

(5 x 5 = 25)

PART D

Answer any 2 (12 marks each)

28. What is your take on environmentally sustainable national income?
29. Explain the main postulates of classical macro economics. Discuss Keynesian criticism on classical theory.
30. Explicate the theory of multiplier. Critically analyse how the multiplier operates in UDCs.
31. Examine the savings function. Explicate various factors influencing it.

(12 x 2 = 24)