Reg. No……………………………….……….   Name……………………………….….………

B A, B SC, B COM DEGREE END SEMESTER EXAMINATION – OCTOBER 2025

UGP (HONS.) SEMESTER - 3: DISCIPLINE SPECIFIC COURSE

COURSE: 24UEMSDSC202: MACROECONOMIC ANALYSIS

(For Regular 2024 Admission)

Time: 2 Hours   Max. Marks: 70

PART A

Answer any 5 questions. Each question carries 2 marks)

1.	Briefly define Say's Law of Demand.	U, CO1
2.	Recall any two Keynesian criticisms of Classical school of thought.	U, CO1
3.	Differentiate between gross and net investment.	An, CO2
4.	Briefly describe saving function.	An, CO2
5.	How do you evaluate Effective Demand.	E, CO3
6.	Briefly examine the components of aggregate demand?	E, CO3
7.	Name two policy tools that shift the IS curve.	A, CO4
8.	What is LM curve? Why does it slope upward?	A, CO4

(2 x 5 = 10)

PART B
Answer any 6 questions. Each question carries 5 marks

9.	Briefly define Pigou effect and neutrality of money.	U, CO1
10.	Critically examine Fisher's version of Classical Quantity Theory of Money.	U, CO1
11.	Give a short note on accelerator theory of investment.	An, CO2
12.	Ramesh works in a factory and earns ₹20,000 per month. He spends most of his income on food, rent, and other needs. His Average Propensity to Consume (APC) is 0.75 at this income level.	An, CO2

Next month, Ramesh gets a salary hike, and his income increases to ₹24,000. His consumption rises from ₹15,000 to ₹18,000.

    i.   Calculate Ramesh's APS at the income level of ₹20,000.

    ii.   When his income rises from ₹20,000 to ₹24,000, calculate his MPC and MPS.

13.	What is the Keynesian Cross model? With the help of a neat diagram, elaborate how equilibrium level of income is determined in a 2 sector economy.	E, CO3
14.	Briefly compare the different types of multipliers.	E, CO3

15. Discuss how fiscal policy affects the IS curve and equilibrium in the IS–LM framework.

A CO4

16. How does the change in money supply affect the LM curve and overall equilibrium.

A,CO4

(5 x 6 = 30)

PART C

Answer any 2 questions. Each question carries 15 marks

17. Give an essay on the nature and scope of macroeconomics. U, CO1

18. Explain the Absolute Income Hypothesis of consumption as proposed by Keynes. An, CO2
    What are its main assumptions, features, and limitations? Illustrate your answer
    with the help of a diagram showing the relationship between income and
    consumption.

19. Explain the Four-Sector Keynesian Cross Model of income determination. Evaluate E, CO3
    the role of government and foreign trade in shaping equilibrium output.

20. Briefly discuss the working of the IS–LM–BP model under the Mundell–Fleming A, CO4
    framework

(15 x 2 = 30)

Questions to Course Outcome Mapping

CO No.	Expected Course Outcome	Learning Domains *	Questions	Total Marks
1	Develops ability to compare and contrast micro and macroeconomics and understand the basics, importance, and application of macroeconomics.	U	1,2,9,10,17	29
2	Understands the contributions made by classical economics and analyze the relevance of those theories.	An	3,4,11,12,18	29
3	Evaluates the transformation of the understanding of the economy based on macro variables.	E	5,6,13,14,19	29
4	Able to demonstrate the Keynesian model of income determination and the IS-LM model	A	7,8,15,16,20	29
*Remember (R), Understand (U), Apply (A), Analyse (An), Evaluate (E), Create (C)				