

SECTION II
[TO BE ATTACHED TO THE MAIN ANSWER-BOOK]
BA DEGREE CBCS PRIVATE EXAMINATION, MARCH 2025
DO NOT WRITE YOUR REGISTER NUMBER OR NAME ANYWHERE IN THE
SECTION II OF THE QUESTION PAPER
EC4CRT05 MCQ - MACRO ECONOMICS- I

Answer **all** questions.

All questions carry equal marks

Put a tick mark [✓] against the correct answer

1. “ Inflation is always and everywhere a monetary phenomenon” these are the famous words of
(a) Milton Friedman (b) Adam Smith
(c) David Ricardo (d) J M Keynes
2. Under Keynesian cross model , rate of interest is
(a) Endogenous variable (b) Exogenous variable
(c) Exponential variable (d) None of the above
3. In Keynesian model of income determination autonomous investment occurs due to
(a) Change in income (b) Change in employment
(c) Change in profit (d) Change in social welfare programmes
4. The concept of multiplier was first developed by
(a) J M Keynes (b) F A Khan
(c) J D Clark (d) Samuelson
5. In equation $C = a + by$, the value of b lies between
(a) 0 (b) $0 < b < 1$
(c) $0 = b < 1$ (d) $0 > b < 1$
6. Money on wings indicates
(a) Store value function of money (b) Medium of exchange function of money
(c) Measure of value function of money (d) All of the above
7. Keynes introduced the book General theory of employment, interest and money in the year
(a) 1929 (b) 1933
(c) 1936 (d) 1935
8. During period of recession
(a) aggregate output declines (b) price level starts rising

- (c) unemployment declines (d) aggregate output rises
9. In a three sector economy, Y equals
 (a) C+I (b) C+I+G
 (c) C+I+G=(X-M) (d) None of these
10. Factor income of household sector is equal to
 (a) Factor payments by firms (b) Factor income of firms
 (c) Expenditure of households (d) Income of households
11. The multiplier concept is important in the Keynesian model because
 (a) it explains why a large change in autonomous spending has such a small impact on equilibrium output. (b) it explains why a small change in autonomous spending can have a large impact on equilibrium output.
 (c) it is crucial to understanding why changes in investment spending are viewed as the root cause of business cycles fluctuations. (d) both (b) and (c) of the above.
12. Choose correct option Statement 1: Model assumes stickiness prices. Statement 2: Classical model assumes flexibility of prices
 (a) statement one and two are correct (b) statement one only correct
 (c) statement two only correct (d) both are incorrect
13. IS curve shows that when income increases
 (a) Interest rate must fall to restore equilibrium in the goods market (b) Interest rate must fall to restore Equilibrium in the asset market
 (c) Interest rate must rise to restore equilibrium in the asset market (d) Interest rate must rise to restore equilibrium in the goods market
14. LM curve represents the combination of ;
 (a) price and out put (b) Demand for money and supply of money
 (c) income and investment (d) Money supply and investment
15. The word Macro was first used in Economics by:
 (a) Keynes (b) Marshall
 (c) Ragnar Frisch (d) J.R. Hicks
16. Macro-static equilibrium implies:
 (a) A complete absence of change (b) A change at an unchanged rate
 (c) A change in only absolute values (d) None of these
17. Real flow is also known as:
 (a) Nominal flow (b) Money flow
 (c) Physical flow (d) Both a and b
18. Out of the following, which aggregate represents 'National Income'?

(a) NNPMP (b) GNP FC

(c) NNP FC (d) GNP MP

19. Which of the following is a part of National Income?

(a) old age pension (b) unemployment allowance

(c) profit (d) scholarship

20. Expenditure method focuses on measurement of National income at:

(a) phases of production of goods and services (b) phase of income distribution

(c) phase of income disposition (d) all of these

No. of MCQ's Attempted :

Marks Scored :

(To be entered by the examiner)

No. of MCQ's not Attempted :

**ATTACH SECTION II INTERNAL EXAMINATION MCQ PAPER
WITH THE MAIN ANSWER BOOK**