B.A DEGREE (CBCS) REGULAR / IMPROVEMENT / REAPPEARANCE EXAMINATIONS, MAY 2024

Second Semester

Core Course - EC2CRT04 - MACRO ECONOMICS I

(Common for B.A Economics Model II Foreign Trade, B.A Economics Model II Insurance)

2017 ADMISSION ONWARDS

FAFD18A8

Time: 3 Hours   Max. Marks : 80

.

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. Define Microeconomics.

2. $GNP_{mp} - GDP_{mp}=$

3. What is Net indirect tax?

4. What is double counting?

5. Wage price flexibility.

6. Distinguish between APC and MPC.

7. Distinguish between APS and MPS.

8. What is net investment?

9. What is Aggregate Demand Function?

10. If the value of MPS is0.75 what is the value of multiplier?

11. Define foreign trade multiplier.

12. What is goods market equilibrium?

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. Examine the concept of Net Economic Welfare.

14. What is the equation of exchange?

15. Explain Keynes criticism of classical theory.

16. Explain keynes Psychological law of consumption.

17. Discuss the objective factors determining consumption.

18. What are the factors determining investment?

19. How is income determined in a two sector keynesian model?

20. What is Kenesian cross?

21. Explain the determination of income and output in a 3 sector Keynesian model.

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Explain with the help of a diagram the circular flow of economic activity.

23. How do rate of intrest is deternined in the classical system?What changes would you expect if there is an increase in the demand for investment?

24. Explain the main features of Keynesian Economics.

25. How do government sector affect the output and income determination in an economy? Explain using Keynesian framework.

(2×15=30)