

G 3485



00003485



Maximum Weight : 5

MCQ—PRINCIPLES OF MACRO ECONOMICS

Section II

[TO BE ATTACHED TO THE MAIN ANSWER-BOOK]

UG CBCSS INTERNAL EXAMINATION, JUNE 2026

DO NOT WRITE YOUR REGISTER NUMBER OR NAME ANYWHERE IN SECTION II OF THE QUESTION PAPER

*Answer **all** questions.*

All questions carry equal weight.

Put a tick mark [✓] in the column against the correct answer.

1. Excess demand for money, according to Say's law in the Economy :

(A) Is greater.

☐

(B) Is very less.

☐

(C) Is equal to zero.

☐

(D) There is no relationship between excess demand for money and Say's Law.

☐

2. The normal condition of a capitalist economy in classical theory is :

(A) Underemployment.

☐

(B) Full employment.

☐

(C) General unemployment.

☐

(D) Frictional unemployment.

☐

3. Equation of exchange is converted into the quantity theory of money by assuming the following variables as constants :

(A) V and T.

☐

(B) M and V.

☐

(C) M and P.

☐

(D) V and P.

☐

Turn over





G 3485

4. The idea that a general cut in wages will finally lead to a state of full employment was suggested by :

(A) Keynes.

☐

(B) Marshall.

☐

(C) J. B. Say.

☐

(D) A. C. Pigou.

☐

5. The aggregate production function implied under classical theory is :

(A) Long run.

☐

(B) Short run.

☐

(C) No time element.

☐

(D) None of the above.

☐

6. In the Fisher's extended equation of exchange $M_I V_I$ represents :

(A) Credit money.

☐

(B) Primary money

☐

(C) Both primary and credit money.

☐

(D) General price level.

☐

7. The cash balance equation $M = KPO$ was given by :

(A) Keynes.

☐

(B) Pigou.

☐

(C) Robertson.

☐

(D) Marshall.

☐

8. According to Keynesian analysis, consumption is a function of :

(A) Permanent income.

☐

(B) Current income.

☐

(C) Estimated lifetime income.

☐

(D) Previous income.

☐

9. ————— is associated with the theory of multiplier :

(A) Adam Smith.

☐

(B) Malthus.

☐

(C) Malthus.

☐

(D) Keynes.

☐



G 3485

10. An official reduction in the value of home currency in terms of foreign currency is known as :

(A) Revaluation.

☐

(B) Devaluation.

☐

(C) Depreciation.

☐

(D) Appreciation.

☐

11. When the method of Statics is called upon to study a changing process, it is referred to as the method of :

(A) Statics.

☐

(B) Dynamics.

☐

(C) Comparative statics.

☐

(D) None of these.

☐

12. The phenomenon of increase in money wages that leads to increases in unemployment is shown by :

(A) Speculative demand curve.

☐

(B) Phillip's curve.

☐

(C) Aggregate supply.

☐

(D) Income consumption curve.

☐

13. Usually an IS curve is a ———— line.

(A) Vertical.

☐

(B) Downward Slopping.

☐

(C) Horizontal.

☐

(D) Upward slopping.

☐

14. "Treatise on money" is a book written by :

(A) Pigou.

☐

(B) Marshall.

☐

(C) Robertson.

☐

(D) Keynes.

☐

Turn over





G 3485

15. Imputed value of good is added to the GDP because :

(A) They indeed represent value.

☐

(B) There is no market price for that.

☐

(C) They increase consumption.

☐

(D) None of the above.

☐

16. Disposable Income does not include :

(A) Excise duty paid.

☐

(B) Income tax.

☐

(C) Customs duty paid.

☐

(D) None of the above.

☐

17. ———— introduced the concept of welfare in the study of economics :

(A) Fischer.

☐

(B) Alfred Marshall.

☐

(C) J S Mill.

☐

(D) Adam Smith.

☐

18. The problem of scarcity and choice making can be depicted using the tool of ———— curve.

(A) Demand.

☐

(B) Isoquant.

☐

(C) Indifference.

☐

(D) Production possibility.

☐

19. The ———— method consists in deriving conclusions from general truths, takes few general principles and applies them draw conclusions.

(A) Inductive.

☐

(B) Deductive.

☐

(C) Empirical.

☐

(D) Scientific.

☐



G 3485

20. Inductive method which also called empirical method was adopted by the :

(A) Marginalist school.

☐

(B) Mercantilists.

☐

(C) Physiocrats.

☐

(D) Historical School of Economists.

☐

No. of MCQs attempted

Weight Scored

(To be entered by the examiner)

No. of MCQs not attempted

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

