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Reg. No.....

Name.....

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, JUNE 2026

Sixth Semester

Economics

Core Course—MACRO ECONOMIC ANALYSIS

(2014—2016 Admissions—Mercy Chance)

[For Private Registration Candidates]

Time : Three Hours

Maximum Weight : 25

Instructions : *This question paper contains two sections. Answer Section I questions in the answer book provided. Section II Internal Examination questions must be answered in the question paper itself. Follow the detailed instructions given under Section II.*

Section I

PART A (OBJECTIVE TYPE QUESTIONS)

Answer all questions.

Each bunch of four questions carries a weight of 1.

I. 1 Net National Product (NNP) :

- (a) GNP – Export.
- (b) GNP – Depreciation.
- (c) GNP + Export.
- (d) GNP + Depreciation.

2 According to Keynes if income increases, consumption :

- (a) Increases.
- (b) Decreases.
- (c) Neither increase nor decrease.
- (d) None of these.

Turn over





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3 APC is the consumption function refers to :

- (a) c/y .
- (b) $\Delta c/\Delta y$.
- (c) $1 + c/y$.
- (d) $1 - c/y$.

4 The term 'Social Accounting' was first introduced by :

- (a) Keynes.
- (b) Hicks.
- (c) Pigou.
- (d) Marshall.

II. 5 According to classical theory there is existence of full employment.

- (a) With inflation.
- (b) Without inflation.
- (c) With deflation.
- (d) Without deflation.

6 NNP at factor cost is called as :

- (a) NNP at market price – Indirect tax + Subsidies.
- (b) NNP + Indirect tax + Subsidies.
- (c) GNP + Subsidies.
- (d) GNP – Subsidies.

7 Investment is a function of :

- (a) Income.
- (b) Savings.
- (c) Real income.
- (d) None of these.

8 Effective demand means :

- (a) Consumption demand.
- (b) Investment demand.
- (c) Consumption demand + Investment demand.
- (d) Consumption demand – Investment demand.





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III. 9 Reverse repo rate means :

- (a) RBI lend to commercial bank.
- (b) Commercial bank lend to RBI.
- (c) Public deposit with RBI.
- (d) Public deposit with commercial bank.

10 According to Pigou wage cut unemployment possible only when :

- (a) Demand for labour is very high.
- (b) Supply of labour is very high.
- (c) Immigration of labour.
- (d) None of these.

11 Direct investment is a function of :

- (a) Real income.
- (b) Expenditure.
- (c) Profit.
- (d) Loss.

12 Marginal Efficiency of Investment (M.E.I.) means :

- (a) Expected return.
- (b) Net Asset value.
- (c) Internal rate of return.
- (d) None of these.

IV. 13 Multiplier refers to :

- (a) $\frac{1}{1 - MPC}$.
- (b) $\frac{1}{1 + MPC}$.
- (c) $\frac{1}{MPS}$.
- (d) $\frac{1}{MPC}$.

14 During inflation the most affected group :

- (a) Fixed income group.
- (b) Govt. employees.
- (c) Labour class.
- (d) None of these.





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- 15 National income is also called national welfare by :
- (a) A C Pigou. (b) A Marshal.
(c) J M Keynes. (d) T R Malthus.
- 16 The power of printing one rupee currency :
- (a) RBI. (b) Ministry of finance GOI.
(c) Planning Commission. (d) Finance Commission.

(4 × 1 = 4)

PART B

*Answer any **five** questions.
Each question carries a weight of 1.*

- 17 Define National Income.
18 Difference between APC and MPC.
19 Personal Disposable Income.
20 Foreign trade multiplier.
21 Business cycle.
22 Monetary policy.
23 Transaction demand for money.
24 Marginal efficiency of capital.

(5 × 1 = 5)

PART C

*Answer any **four** questions not exceeding 150 words each.
Each question carries a weight of 2.*

- 25 State and explain life cycle hypothesis.
26 Classical theory of employment.
27 Social Accounting Matrix.
28 Fiscal Policy in India.





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29 Difficulties in calculating National Income.

30 Disguised unemployment.

(4 × 2 = 8)

PART D

*Answer any **two** questions not exceeding 450 words each.*

Each question carries a weight of 4.

31 Briefly explain nature and scope of macro economics.

32 Difference between autonomous investment and induced investment.

33 Critically examine IS-LM frame work under macro economic situation.

(2 × 4 = 8)

