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Reg. No. : .....

**Code No. : 22103 E      Sub. Code : GMEC 61**

B.A. (CBCS) DEGREE EXAMINATION,  
APRIL 2020.

Sixth Semester

Economics – Main

MACRO ECONOMICS – II

(For those who joined in July 2012 – 2015)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. In Ricardian theory ————— sector occupies a crucial place.  
(a) Agricultural                      (b) Industrial  
(c) Service                              (d) Trade

2. Financial Investment means
  - (a) Real Investment
  - (b) Purchase of machines
  - (c) Transfer of existing assets
  - (d) Both (a) and (b)
  
3. One of the measures to induce private investment is
  - (a) to increase government savings
  - (b) to increase rate of interest
  - (c) to increase tax concessions
  - (d) to increase the wage level
  
4. The author of 'Das Capital' is
  - (a) Karl Marx            (b) Lenin
  - (c) Gunnar Myrdal      (d) Kaldor
  
5. Classical economists believed in
  - (a) Unemployment
  - (b) Full employment
  - (c) Partial full employment
  - (d) Partial unemployment

6. Nicholas Kaldor used the concept of \_\_\_\_\_ to frame theory of macro distribution.
- (a) Rent                      (b) Multiplier  
(c) Accelerator              (d) Surplus
7. Rural unemployment is otherwise called as \_\_\_\_\_ unemployment.
- (a) Technological              (b) Voluntary  
(c) Disguised                  (d) All of these
8. Expansionary monetary policy adopted during the period of
- (a) Recession                  (b) Inflation  
(c) Stagflation                (d) Peak
9. The objective monetary policy is
- (a) attain full employment  
(b) encourage investment  
(c) remove inequalities  
(d) achieve social justice
10. The lag of the monetary policy in
- (a) Price lag  
(b) Employment lag  
(c) Action lag  
(d) Tax lag

PART B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 250 words.

11. (a) Indicate the main features of Marxian economics.

Or

- (b) Discuss Kaldor's theory of distribution.

12. (a) Expound the types of investment.

Or

- (b) What is meant by MEC?

13. (a) What are the determinants of investment decision according to Keynes?

Or

- (b) What are the objectives of Macro Economic Policy?

14. (a) State the relationship between real growth rate and change in unemployment.

Or

- (b) In what way the conflict between price stability and full employment can be removed?

15. (a) State and explain the objectives of monetary policy in a developing economy.

Or

- (b) Explain Fiscal Policy.

PART C — (5 × 8 = 40 marks)

Answer ALL questions, choosing either (a) or (b).

Answer should not exceed 600 words.

16. (a) Critically evaluate Ricardian theory of income distribution.

Or

- (b) What are the factors affecting inducement to invest?

17. (a) List out the Keynesian policy measures applicable for the economy.

Or

- (b) Describe the Keynesian theory of income and employment.

18. (a) Analyse the nature of price stability and economic growth in India.

Or

- (b) Explain the tools of Keynes.

19. (a) Explain the objectives of macro economic policy.

Or

(b) Bring out the limitations of monetary policy in LDC's.

20. (a) Critically explain the instruments of monetary policy.

Or

(b) Distinguish between Expansionary monetary policy and Restrictive monetary policy.

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