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

Fifth Semester

Economics – Main

MACRO ECONOMICS – I

(For those who joined in July 2017 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Which of the following is a part of the study of macro economics?
 - (a) Product pricing
 - (b) General price level
 - (c) Factor pricing
 - (d) Location of an industry

2. The greatest danger of macro economic analysis is
 - (a) The excessive generalisation
 - (b) The study of small parts
 - (c) The study of micro economic problems
 - (d) The study of individual family budget

3. National Income means
 - (a) Money value of good
 - (b) Money value of service
 - (c) Money value of goods and services
 - (d) Money value of goods and services of a country in a particular period

4. Personal Income is the income received by
 - (a) Individuals
 - (b) Business sector
 - (c) Agricultural sector
 - (d) Service sector

5. "The General Theory of Employment, Interest and Money" was written by
 - (a) Adam Smith (b) Alfred Marshall
 - (c) J.S. Mill (d) J.M. Keynes

6. According to Pigou if labourers accept a wage which is equal to the marginal productivity
- (a) No unemployment
 - (b) Unemployment
 - (c) Won't accept
 - (d) None of the above
7. The ratio of consumption expenditure to any particular level of income refers to
- (a) APC
 - (b) MPC
 - (c) Consumption
 - (d) Consumption function
8. $1 - MPC =$
- (a) APC
 - (b) APS
 - (c) MPS
 - (d) None of the above
9. The concept of under employment equilibrium was given by
- (a) Ackley
 - (b) Ragnar Frisch
 - (c) Keynes
 - (d) Samuelson
10. Chronic unemployment prevails in the
- (a) Developing economy
 - (b) Underdeveloping economy
 - (c) Developed economy
 - (d) Traditional society

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Distinguish between micro and macro economic analysis.

Or

- (b) What is the importance of macro economics?

12. (a) Explain the product method of measuring national income.

Or

- (b) Explain the various views on national income.

13. (a) Write the Keynesian view of full employment.

Or

- (b) Define consumption function and illustrate it with suitable example.

14. (a) Explain the relationship between consumption and income.

Or

- (b) Explain the relationship between MPC and APC.

15. (a) Distinguish between Induced and Autonomous Investment.

Or

- (b) What is the importance of Accelerator principle?

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Analyse the nature and scope of macro economics.

Or

- (b) What are the limitations of macro economic analysis?

17. (a) Describe the various methods of measuring national income.

Or

- (b) What are the problems faced while calculating national income?

18. (a) Explain the Say's law of market.

Or

- (b) Examine the Pigou's wage cut theory.

19. (a) What is consumption function and illustrate it with suitable example?

Or

(b) State the Keynesian psychological law of consumption.

20. (a) Write in detail about the working condition of accelerator.

Or

(b) Describe the investment multiplier of Keynes.
