

(6 pages)

Reg. No. : _____

Code No. : 10392 E Sub. Code : AMEC 51

B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2022.

Fifth Semester

Economics – Core

MACRO ECONOMICS – I

(For those who joined in July 2020 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer.

1. The study of aggregates is known as
 - (a) Macroeconomics
 - (b) Microeconomics
 - (c) Price theory
 - (d) Factor price determination

2. Which of the following is a macroeconomic topic?
 - (a) Why plumbers earn more than painters
 - (b) The reasons for the rise in average prices
 - (c) Whether the army should buy more tanks or more rockets
 - (d) The reason for a rise in the price of orange juice
3. The net value of GDP after deducting depreciation from GPP is
 - (a) Net national product
 - (b) Net domestic product
 - (c) Gross national product
 - (d) Disposable income
4. National Income doesn't include
 - (a) Interest on unproductive national debt
 - (b) Income for government expenditure
 - (c) The payments by household to the firm for purchase of goods and services
 - (d) Undistributed profits
5. The increase in unemployment that occurs during recessions and depressions is called
 - (a) Structural unemployment
 - (b) Frictional unemployment
 - (c) Cyclical unemployment
 - (d) Normal unemployment

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6. On which factor Keynesian Theory of Employment depends.
 - (a) Effective Demand
 - (b) Supply
 - (c) Production Efficiency
 - (d) Effective Supply
7. Aggregate Demand curve is
 - (a) Horizontal straight line parallel to the X-axis
 - (b) Positively sloped curve
 - (c) Negatively sloped curve
 - (d) Vertical straight line parallel to Y-axis
8. Which of these is a component of Aggregate Demand?
 - (a) Imports
 - (b) Investment expenditure
 - (c) Savings
 - (d) Exports
9. Friedman's theory of consumption otherwise known as
 - (a) Past income
 - (b) Current income
 - (c) Disposable income
 - (d) Permanent income

10. Absolute Income hypothesis propounded by
 - (a) Keynes
 - (b) Duesenberry
 - (c) Friedman
 - (d) Modigliani

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 stock and flow concept.
Or
(b) Bring out the limitations of Macroeconomics.
12. (a) Write a short note on GNP and NNP.
Or
(b) What are the uses of National Income analysis?
13. (a) Explain the concept of real balance effect.
Or
(b) What are the types of unemployment?

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14. (a) Briefly explain the principles of effective demand.

Or

(b) Bring out the background of Keynesian Revolution.

15. (a) Explain the Keynes's Psychological law of consumption.

Or

(b) Briefly explain the Relative Income Hypothesis.

PART C — (5 × 8 = 40 marks)

Answer ALL Questions, Choosing either (a) or (b).

Each answer should not exceed 600 words.

16. (a) Distinguish between microeconomics and macroeconomics.

Or

(b) Explain the importance of Macroeconomics.

17. (a) What are the methods of estimating National Income?

Or

(b) Discuss the difficulties in the estimation of National Income.

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18. (a) Describe the Classical Theory of unemployment.

Or

(b) Highlight the Keynes's Criticisms of Classical Theory.

19. (a) Explain the components of aggregate demand.

Or

(b) Examine the determinants of effective demand.

20. (a) Analyze the determinants of consumption function.

Or

(b) Critically examine the Permanent Income Hypothesis.

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