

(6 pages)

Reg. No. :

Code No. : 20484 E Sub. Code : AMEC 61

B.A. (CBCS) DEGREE EXAMINATION,
NOVEMBER 2024.

Sixth Semester

Economics – Core

MACRO ECONOMICS – II

(For those who joined in July 2020 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. Induced investment is otherwise called
 - (a) Autonomous investment
 - (b) Public investment
 - (c) Private investment
 - (d) Government investment
2. The concept of MEC was introduced by
 - (a) David Ricardo
 - (b) A.C.Pigou
 - (c) J.M.Keynes
 - (d) Alfred Marshall
3. The Neo-classical theory of interest is also known as
 - (a) Loanable fund theory of interest
 - (b) Liquidity preference theory of interest
 - (c) Real theory of interest
 - (d) Demand and supply theory of interest
4. Which of the following motives refers to holding money which interest elastic?
 - (a) Transaction motive
 - (b) The precautionary motive
 - (c) The speculative motive
 - (d) All of the above
5. The cyclical fluctuations in aggregate economic activities of a nation is called
 - (a) Business cycle
 - (b) Life cycle
 - (c) Environmental cycle
 - (d) Circular flow of income

6. Which starts after prosperity ends?
 (a) Recession (b) Depression
 (c) Recovery (d) Peak
7. The concept of multiplier was first introduced by
 (a) J.M. Keynes (b) Hicks
 (c) Marshall (d) R.F. Kahn
8. Dynamic multiplier is also known as
 (a) Period multiplier
 (b) Employment multiplier
 (c) Static multiplier
 (d) Timeless multiplier
9. The main two instruments of macroeconomic policy are
 (a) Price policy and Income policy
 (b) Price policy and Fiscal policy
 (c) Monetary policy and Fiscal policy
 (d) Export policy and Import policy
10. Which of the following is an instrument of monetary policy?
 (a) Taxation
 (b) Bank Rate Policy
 (c) Public borrowing
 (d) Economic growth

Page 3 Code No. : 20484 E

PART B — (5 × 5 = 25 marks)

Answer ALL questions by choosing (a) or (b).

Each answer should not exceed 250 words.

11. (a) What are the types of investment?
 Or
 (b) Write a short note on MEI.
12. (a) Explain the criticisms of the classical theory of interest.
 Or
 (b) Write a short note on liquidity trap.
13. (a) List out the assumptions of Hick's theory of business cycle.
 Or
 (b) Explain the effects of business cycles.
14. (a) What are the assumptions of multiplier?
 Or
 (b) Write a short note on employment multiplier.
15. (a) Explain the expansionary monetary policy.
 Or
 (b) What are the instruments of fiscal policy?

Page 4 Code No. : 20484 E

[P.T.O.]

PART C — (5 × 8 = 40 marks)

Answer ALL questions by choosing (a) or (b).

Each answer should not exceed 600 words.

16. (a) Explain the factors affecting induced investment.

Or

- (b) Examine saving and investment equality in classical view.

17. (a) Critically examine Keynes's liquidity preference theory of interest.

Or

- (b) Analyse Loanable funds theory of interest.

18. (a) Critically examine Schumpeter's theory of innovation.

Or

- (b) Discuss the causes of business cycles.

19. (a) Explain the working of the multiplier.

Or

- (b) Describe the leakages of multiplier.

20. (a) Bring out the role of fiscal policy in a developing economy.

Or

- (b) Explain the objectives of monetary policy.