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

Fifth Semester

Economics — Core

MACRO ECONOMICS – I

(For those who joined in July 2021 & 2022 only)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. The study of behaviour of the economy as a whole is known as \_\_\_\_\_.  
(a) Macro Economics (b) Micro Economics  
(c) Statistics (d) Public Finance
2. Who among the following is called as father of Macro Economics?  
(a) J.S. Mill (b) J.M. Keynes  
(c) Alfred Marshall (d) A.C. Pigou

3. Per Capita Income is  
(a) Gross Domestic Product ÷ Total Population  
(b) Total Population ÷ National Income  
(c) National Income ÷ Total Population  
(d) Gross National Product – Depreciation
4. Which among the following is/are method of measuring National Income?  
(a) Income Method  
(b) Expenditure Method  
(c) Value Added Method  
(d) All of these
5. When people are unemployed at particular period of times in a year is called \_\_\_\_\_.  
(a) Cyclical Unemployment  
(b) Technological Unemployment  
(c) Seasonal Unemployment  
(d) None of the above
6. Which among the following is an example for seasonal unemployment?  
(a) Ice Factory (b) Steel Industry  
(c) Cement Industry (d) Banking Sector

7. The father of classical economics is
- (a) Adam Smith
  - (b) Karl Marx
  - (c) J.M. Keynes
  - (d) A.C. Pigou
8. According to J.M. Keynes unemployment can be removed by
- (a) Deficiency in demand
  - (b) Increase in demand
  - (c) Deficiency in supply
  - (d) Increase in supply
9. J.M. Keynes Propounded \_\_\_\_\_.
- (a) Absolute Income Hypothesis
  - (b) Relative Income Hypothesis
  - (c) Permanent Income Hypothesis
  - (d) None of these
10. Relative Income Hypothesis is propounded by
- (a) David Ricardo
  - (b) J.S. Duesenberry
  - (c) A.C. Pigou
  - (d) Paul Krugman

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Define the term Macro Economics. Explain the scope of Macro Economics.
- Or
- (b) State and explain the types of variables.
12. (a) Explain the concept of National Income.
- Or
- (b) Distinguish between Gross Domestic Product (GDP) and Gross National Product (GNP).
13. (a) Write a Note on Real Balance Effect.
- Or
- (b) Explain the uses of National Income Estimate.
14. (a) Write a note on underemployment equilibrium.
- Or
- (b) Explain the implications of Keynes Psychological Law of Consumption.

15. (a) What do you mean by consumption function?

Or

(b) Explain the Relative Income Hypotheses.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) State and explain the significance of studying Macro Economics.

Or

(b) Distinguish between micro economics and macro economics.

17. (a) Describe the methods of measuring National Income.

Or

(b) Illustrate the difficulties in measuring National Income.

18. (a) What do you mean by unemployment? Explain the types of unemployment.

Or

(b) Evaluate the J.B. Say's Law of Market.

19. (a) Illustrate the determination of Effective Demand.

Or

(b) State and explain the Absolute Income Hypothesis.

20. (a) Critically examine the J.M. Keynes Psychological Law of Consumption.

Or

(b) What is consumption? Explain the determinants of consumption function.