

(6 pages)

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B.A. (CBCS) DEGREE EXAMINATION,
APRIL 2025.

Sixth Semester

Economics — Core

MACRO ECONOMICS — II

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

Time : Three hours Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. In which year the book '*The General Theory of Employment*', Interest and Money' was published
- (a) 1936 (b) 1946
(c) 1991 (d) 2001

2. The investment depends on
- (a) Savings
(b) Marginal Efficiency of Capital
(c) Depreciation
(d) Capital
3. The rate of expected return from new capital asset is called
- (a) Capital
(b) Investment
(c) Marginal Efficiency of Capital
(d) Depreciation
4. Trade Cycle is also known as
- (a) Depression (b) Prosperity
(c) Depreciation (d) Business Cycle
5. Innovation Theory of Trade Cycle is related to
- (a) Hicks (b) Schumpeter
(c) Keynes (d) Adam Smith
6. Choose the formula for calculating multiplication
- (a) $K=1/1-MPC$ (b) $K=1/1-MPS$
(c) $K=1/1-MEC$ (d) $K=1/1-MEI$

7. The interaction between multiplier and accelerator is known as _____.
- (a) Multiplier (b) Accelerator
(c) Trade Cycle (d) Super Multiplier
8. Who make Monetary Policy in India?
- (a) Reserve Bank of India
(b) Ministry of Finance
(c) State Bank of India
(d) World Bank
9. Which of the following is/are related to Monetary Policy?
- (a) Interest Rate (b) Repo Rate
(c) Bank Rate (d) All the above
10. Which of the following is related to the Fiscal Policy?
- (a) Bank Rate
(b) Tax and Non-tax Reserve
(c) Direct Action
(d) Cash Reserve Ratio

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) Describe the factor affecting investment.
Or
(b) Explain the determinant of investment.
12. (a) Analyse the causes and effects of trade cycle.
Or
(b) Explain the Schumpeter's Theory of Trade Cycle.
13. (a) What are the assumptions of multiplier?
Or
(b) Analyse the leakages of multiplier.
14. (a) Describe the principle of Accelerator.
Or
(b) What are the limitation of Accelerator?

15. (a) Critically examine the role of fiscal policy in a developing economy.

Or

- (b) Describe the various instruments of fiscal policy.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) What do you mean by Investment? Explain its types.

Or

- (b) What do you mean by Marginal Efficiency of Capital?

17. (a) Describe the characteristics of Trade Cycle.

Or

- (b) Explain the various phases of Trade Cycle.

18. (a) Discuss the working of the Multiplier.

Or

- (b) Explain the importance of Multiplier.

19. (a) What do you mean by Accelerator? Explain the Assumptions of Accelerator.

Or

- (b) Discuss the importance of Accelerator.

20. (a) What do you mean by Monetary Policy? Explain the types of Monetary Policy.

Or

- (b) Describe the objectives of Fiscal Policy.