

(6 pages)

Reg. No. :

Code No. : 30185 E Sub. Code : SMEC 61

B.A. (CBCS) DEGREE EXAMINATION, APRIL 2023

Sixth Semester

Economics — Core

MACRO ECONOMICS — II

(For those who joined in July 2017–2019)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. According to Karl Marx variable capital is
 - (a) Wage for labour
 - (b) Rent for land
 - (c) Capital for machines
 - (d) None

2. In Ricardian theory of distribution MP curve
 - (a) lies above AP curve
 - (b) lies below AP curve
 - (c) coincide with AP curve
 - (d) vertical to AP curve
3. Financial investment means
 - (a) real investment.
 - (b) purchase of machines
 - (c) transfer of existing assets
 - (d) none of these
4. Autonomous investment is independent of
 - (a) income (b) growth of population
 - (c) research (d) weather changes
5. According to Keynes one of the important determinant of investment is
 - (a) MEC (b) MPC
 - (c) APC (d) Income

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PART B — (5 × 5 = 25 marks)

Answer ALL questions choosing either (a) or (b).
Each answer should not exceed 250 words.

6. According to Keynes unemployment is due to
 - (a) deficiency of effective demand
 - (b) deficiency of capital resources
 - (c) deficiency of supply
 - (d) lack of technology
7. Marxism is the enemy of
 - (a) capitalism (b) communism
 - (c) socialism (d) none
8. Who is the author of the book 'Das capital'?
 - (a) Keynes (b) Karl Marx
 - (c) Ricardo (d) Kaldor
9. Tools of macro economic policy are
 - (a) Monetary policy (b) Fiscal policy
 - (c) Both (a) and (b) (d) None of these
10. Which of the following is a qualitative instrument of the central bank?
 - (a) cash reserve ratio
 - (b) bank rate
 - (c) open market operation
 - (d) moral solution

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11. (a) Write the criticisms levelled against Ricardian theory of distribution.
Or
(b) What are the differences between Ricardian theory of distribution and Karl Marx theory of income distribution?
12. (a) Explain the relationship between MEC and MEI.
Or
(b) Explain the MEC schedule.
13. (a) Write a note on 'liquidity trap'.
Or
(b) What is multiplier? What are its assumptions?
14. (a) What is the opinion of Karl Marx about capitalism?

Or
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[P.T.O.]