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B.A. (CBCS) DEGREE EXAMINATION,
APRIL 2020.

Sixth Semester

Economics – Main

MACRO ECONOMICS – II

(For those who joined in July 2016 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer :

1. _____ theory took the first attempt to explain the problem of income distribution.
(a) Ricardian (b) Kaldor
(c) Marxian (d) Hicksian

2. Marxian theory of income distribution is based on _____.
- (a) theory of value
 - (b) general theory of value
 - (c) labour theory of value
 - (d) capital theory of value
3. According to Keynes, investment is determined by
- (a) national income
 - (b) interest
 - (c) marginal efficiency of capital
 - (d) income
4. In his General Theory, Keynes considered _____, as the only investment.
- (a) induced (b) net
 - (c) gross (d) autonomous
5. The concept of investment multiplier was explained by _____.
- (a) Keynes (b) Marshall
 - (c) Ricardo (d) Khan

6. Effective demand was determined by _____.
- (a) income (b) aggregate demand
(c) aggregate supply (d) both (b) and (c)
7. Who is the author of the book capital?
- (a) Marx (b) Keynes
(c) Adam smith (d) Pigou
8. A capitalistic society is divided into _____ classes.
- (a) two (b) three
(c) four (d) five
9. Monetary policy was formulated by _____ bank.
- (a) commercial (b) co-operative
(c) central (d) industrial
10. The policy related with taxation and public debt is called as _____ policy.
- (a) monetary (b) fiscal
(c) interest (d) income

PART B — (5 × 5 = 25 marks)

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

Answer should not exceed 250 words.

11. (a) Give the essence of Ricardian theory of income distribution.

Or

- (b) On what grounds is the Marxian theory of distribution criticised?

12. (a) What are the different types of investment?

Or

- (b) Write a note on marginal efficiency of capital.

13. (a) Explain under employment equilibrium.

Or

- (b) Explain the concept of inflationary gap.

14. (a) What according to Marx, are the features of capitalism?

Or

- (b) Write a note on surplus value theory.

15. (a) What are the instruments of monetary policy?

Or

- (b) Explain – Fiscal Policy.

PART C — (5 × 8 = 40 marks)

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

Answer should not exceed 600 words.

16. (a) Explain clearly Marxian theory of income distribution.

Or

- (b) Analyse the Kaldor's theory of distribution.

17. (a) What are the factors that determine volume of investment?

Or

- (b) Differentiate marginal efficiency of capital and marginal efficiency of investment.

18. (a) Explain the concept of effective demand.

Or

- (b) Explain the characteristics of Keynesian economics.

19. (a) Evaluate Marxian Labour theory of value.

Or

(b) Compare Marxian economics with classical economics.

20. (a) What are the objectives of Monetary Policy?

Or

(b) Explain the limitations of Fiscal Policy.
