

(6 pages)

Reg. No. :

Code No. : 22776 E Sub. Code : JMEC 61

B.A. (CBCS) DEGREE EXAMINATION, APRIL 2019.

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. The distribution of national income among various persons in a society
- (a) Personal distribution
 - (b) Functional distribution
 - (c) Factors of production
 - (d) Marginal distribution

2. Euler's theorem is based on which of the following assumption?
- (a) dynamic economy
 - (b) constant returns to scale
 - (c) short-run
 - (d) variable relative shares of factors
3. Which of the following is not real investment?
- (a) new capital goods
 - (b) consumption works
 - (c) share capital of the company
 - (d) inventories
4. The relationship between MEC and prospective annual yield is
- (a) direct
 - (b) inverse
 - (c) negative
 - (d) none of these above
5. If MPC is 0.2, the multiplier is
- (a) 4.0
 - (b) 5.0
 - (c) 0.8
 - (d) 1.0
6. The concept of accelerator has been given by
- (a) J.M. Keynes
 - (b) J.M. Clark
 - (c) R.F. Kahn
 - (d) Samuelson

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7. Labour theory of value is one of the economic ideas of
- (a) Samuelson (b) Richard
(c) Karl Marx (d) Robinson
8. Marx divided the labour into _____ types.
- (a) 2 (b) 4
(c) 5 (d) 6
9. Monetary policy is
- (a) opposed to fiscal policy
(b) complementary to fiscal policy
(c) more effective during depression
(d) direct measure to control effective demand
10. Fiscal policy has the objective of achieving
- (a) justice in taxation
(b) economic stabilization
(c) economic welfare
(d) economic growth

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceeding 250 words.

11. (a) Narrate the assumptions built by Kaldor.
- Or
- (b) Give a critical evaluation of marginal productivity theory.
12. (a) Explain the factors other than the interest rate affecting inducement to invest.
- Or
- (b) Narrate the determinants of investment.
13. (a) What are the fiscal measures which can be adopted to raise the level of employment.
- Or
- (b) Explain the conditions necessary for operation of multiplier.
14. (a) Bring out the economic ideas of Karl Marx.
- Or
- (b) Discuss Marx's method of approach.



15. (a) Describe the advantages of price stability.

Or

- (b) Explain the role played by fiscal policy in a depression.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceeding 600 words.

16. (a) Explain clearly the marginal productivity theory of distribution and compare it with the modern theory of distribution.

Or

- (b) "The theory of distribution is only a special case of the theory of value. Discuss.

17. (a) What measures would you suggest to foster private investment in an economy confronted with depression?

Or

- (b) What is MEC? How does this concept help in explaining the investment behaviour?

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18. (a) State and explain Keynes liquidity preference theory of interest. Illustrate it diagrammatically.

Or

- (b) Discuss the Keynesian tools and under developed countries.

19. (a) Describe the theory of capitalist exploitation.

Or

- (b) Explain Mark as sociologist, economist and teacher.

20. (a) Explain the role of monetary policy in an economy.

Or

- (b) Discuss the objectives of fiscal policy in an underdeveloped economy.

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