(6 pages)

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

Fifth Semester

Economics – Main

MACRO ECONOMICS – I

(For those who joined in July 2017 onwards)

Time : Three hours   Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer.

1. Macro Economics studies

    (a)   aggregates

    (b)   individuals

    (c)   both (a) and (b)

    (d)   partial equilibrium

2. Macro Economic approach was developed and popularised by

    (a)   Boulding   (b)   Samuelson

    (c)   Marshall   (d)   Keynes

3. When we deduct direct taxes from personal income we get?

    (a)   disposable income

    (b)   per capita income

    (c)   national income

    (d)   none

4. Double counting means

    (a)   counting a product at the final stage

    (b)   counting a product more than once

    (c)   under estimate of national product

    (d)   none of these

5. "Supply creates its own demand" concept was given by

    (a)   Adam Smith   (b)   Ricardo

    (c)   Keynes   (d)   J.B. Say

6. Ice cream sellers remain unemployed during winter is

   (a) frictional unemployment

   (b) seasonal unemployment

   (c) structural unemployment

   (d) disguised unemployment

7. Income ———————— consumption equals to.

   (a) Tax   (b) Debt

   (c) Savings   (d) Profit

8. Consumption depends on ————————.

   (a) savings   (b) investment

   (c) income   (d) expenditure

9. If the marginal propensity to consume is high the value of multiplier is

   (a) lower   (b) higher

   (c) zero   (d) negative

10. The concept of accelerator was first propounded by

    (a) Keynes   (b) Aftalian

    (c) Pigou   (d) Hansen

PART B — (5 × 5 = 25 marks)

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

Each answer should not exceed 250 words.

11. (a) State the importance of macro economics.

    Or

    (b) Mention the scope of macro economics.

12. (a) What are the advantages of national income estimates?

    Or

    (b) Write a not eon personal income.

13. (a) Define full employment.

    Or

    (b) What do you mean by frictional unemployment?

14. (a) Explain about consumption function.

    Or

    (b) What are the measures to increase consumption?

15. (a) What are the assumption of the principle of Multiplier?

Or

(b) Mention the importance of Multiplier.

PART C — (5 × 8 = 40 marks)

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

Each answer should not exceed 600 words.

16. (a) Examine the differences between micro economics and macro economics.

Or

(b) Explain the limitations of macro economics.

17. (a) Describe the methods of measuring national income.

Or

(b) Discuss the difficulties in the calculation of national income.

18. (a) Critically evaluate the Keynesian theory of employment.

Or

(b) Explain Say's law of market.

19. (a) Describe the factors that determine consumption function.

Or

(b) Explain the Keynesian psychological law of consumption.

20. (a) Explain the operation of multiplier with the help of a diagram.

Or

(b) Describe the assumption and limitations of acceleration principle.

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