

(6 pages)

Reg. No. : .....

Code No. : 20931 E      Sub. Code : EMEC 31

B.A. (CBCS) DEGREE EXAMINATION,  
NOVEMBER 2024

Third Semester

Economics – Core

MACRO ECONOMICS – I

(For those who joined in July 2023 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (10 × 1 = 10 marks)

Answer ALL questions.

Choose the correct answer

1. Macro Economics is also called as \_\_\_\_\_.  
(a) Income method      (b) Price method  
(c) Individual analysis (d) None of these
2. Who measured the first National Income in India?  
(a) V.K.R.V. Rao      (b) Dadabhai Navroj  
(c) Nehru      (d) Keynes

3. The classical Model assumes wages and prices are \_\_\_\_\_.  
(a) Fixed  
(b) Stable  
(c) Flexible  
(d) None of these

4. The Aggregate supply curve is \_\_\_\_\_ sloping.

- (a) Downward      (b) Vertical  
(c) Horizontal      (d) Upward

5. Effective Demand depends upon

- (a) Desire for the commodity  
(b) Willingness  
(c) Mean to purchase  
(d) All of these

6. Under employment occurs when people.

- (a) Are working in a lazy manner  
(b) Do not want to work  
(c) Are working less than what they are capable of doing  
(d) Are not paid for their work





7. In Permanent Income Hypothesis, transitory consumption is influenced by ———.
- Investment
  - Transitory income
  - Interest rate
  - None
8. Absolute Income Hypothesis was given by ———.
- Keynes
  - Duesenberry
  - Friedmen
  - Smith
9. Which one of the following correctly describes the concept of Super multiplier?
- Interaction between Multiplier and Accelerator
  - Money Multiplier
  - Investment Multiplier
  - None of these
10. The term Multiplier in economics was given by
- J.B. Clark
  - R.F. Khan
  - J.S. Mill
  - J.M. Keynes

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PART B — ( $5 \times 5 = 25$  marks)

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

Each answer should not exceed 250 words.

11. (a) Explain the terms GDP and GNP.
- Or
- (b) What do you mean by Green GDP?
12. (a) Mention the assumptions of Classical Theory.
- Or
- (b) Describe the term Price flexibility.
13. (a) Write a note on Involuntary Unemployment.
- Or
- (b) Give a gist on Effective Demand.
14. (a) What are the assumptions of Permanent Income Hypothesis?
- Or
- (b) Mention the limitation of Relative income hypothesis.

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15. (a) Elucidate the concept of MEC.

Or

- (b) What do you mean by Super Multiplier?

PART C — ( $5 \times 8 = 40$  marks)

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

Each answer should not exceed 600 words.

16. (a) Elucidate the various methods of measuring National Income.

Or

- (b) Explain about circular flow of Income.

17. (a) Critically analyse Say's law of Market.

Or

- (b) Explain the employment determination in Classical Model.

18. (a) Criticise Keynes's Liquidity Preference theory.

Or

- (b) Explain the attributes of Consumption Function.

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19. (a) State and explain Absolute Income Hypothesis.

Or

- (b) Criticise Permanent Income Hypothesis.

20. (a) Explain the Multiplier theory in Economics.

Or

- (b) Differentiate Multiplier and Accelerator.

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