



19101922

QP CODE: 19101922

Reg No : .....

Name : .....

**BA DEGREE (CBCS) EXAMINATION, MAY 2019**

**Second Semester**

**Core Course - EC2CRT04 - MACRO ECONOMICS I**

(Common for B.A Economics Model II Foreign Trade.B.A Economics Model II Insurance)

2017 ADMISSION ONWARDS

7776EBD2

**Maximum Marks: 80**

**Time: 3 Hours**

**Part A**

Answer any **ten** questions.

Each question carries **2** marks.

1. Define Microeconomics.
2. Define National Income.
3. Define consumption of fixed capital.
4. Full employment.
5. Write a note on role of government in keynesian economics
6. What is autonomous consumption?
7. What is autonomous investment?
8. What is Aggregate Supply Function?
9. What is under employment equilibrium?
10. Calculate change in income when initial increase in investment is Rs.100crs and MPC is 0.75
11. Define foreign trade multiplier
12. What is IS Curve?

(10×2=20)

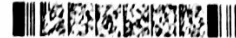
**Part B**

Answer any **six** questions.

Each question carries **5** marks.

13. What are the difficulties in the measurement of national income?
14. Explain the social accounting method in national income estimation.





15. Derive the marginal productivity of labour or demand for labour curve from the classical production function
16. Explain cash balance approach.
17. Explain Keynes criticism of classical theory.
18. What is the relationship between MEC and rate of interest?
19. How is income determined in a two sector keynesian model
20. Distinguish between inflationary gap and deflationary gap
21. What is balanced budget multiplier?

(6×5=30)

**Part C**

Answer any **two** questions.

Each question carries **15** marks.

22. Explain with the help of a diagram the circular flow of economic activity .
23. How do rate of interest is determined in the classical system?What changes would you expect if there is an increase in the demand for investment?
24. What is consumption function.Discuss the subjective and objective factors determining consumption
25. How do government sector affect the output and income determination in an economy .Explain using Keynesian framework

(2×15=30)

