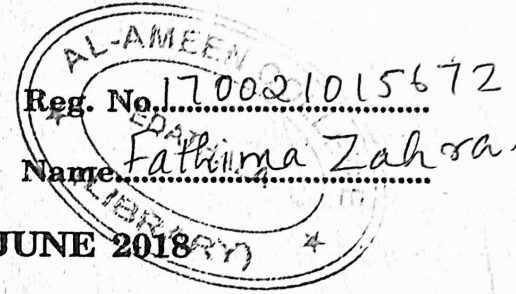


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B.A. DEGREE (C.B.C.S.) EXAMINATION, JUNE 2018

Second Semester

Model II B.A. Economics Foreign Trade/Insurance

Core Course : EC 2CRT 04—MACRO ECONOMICS-I

(2017 Admission onwards)

Time : Three Hours

Maximum : 80 Marks

Part A

Answer any ten questions.

Each question carries 2 marks.

1. What is Macro Static.
2. Per Capita Income.
3. Disposable Personal Income.
4. Frictional unemployment.
5. Aggregate Supply Function.
6. Laissez-faire Policy.
7. Classical dichotomy.
8. Keynesian cross.
9. MPC and APC.
10. Double Counting.
11. Induced Investment.
12. Public debt.

(10 × 2 = 20 marks)

Part B

Answer any six questions.

Each question carries 5 marks.

13. What are the major branches of Macro Economics ?
14. List out various National Income concepts used in Economics.
15. What are the major monetary Policy instruments used to control economic activities.

Turn over

16. Do you think that there is always a trade off between inflation and unemployment ?
17. How output and employment are determined under classical theory ?
18. What is MEC ? Point out the relationship between MEC, Investment and rate of interest.
19. Distinguish between voluntary and involuntary unemployment. Do you think that involuntary unemployment is always impossible ?
20. Explain the concept of inflationary gap with suitable diagram.
21. Examine the investment demand function.

(6 × 5 = 30 marks)

Part C

Answer any two questions.

Each question carries 15 marks.

22. Explain the circular flow of economic activity in a four sector economy.
23. Critically examine the "Say's law of market".
24. Explain the Keynes's Psychological law of consumption.
25. How income and employment is determined under Keynesian theory.

(2 × 15 = 30 marks)