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Reg. No. : .....

Name : .....

Third Semester B.A. Degree Examination, January 2023

First Degree Programme under CBCSS

Economics

Core Course III

EC 1341 – INTRODUCTORY MACROECONOMICS

(2019 Admission Onwards)

Time : 3 Hours Max. Marks : 80

SECTION – I

Answer **all** questions. Answer in **one** or **two** sentences.

1. Macroeconomic model
2. Boom
3. Consumption
4. Aggregate output
5. Broad money
6. Selective credit control
7. Autonomous consumption
8. Investment multiplier
9. Automatic stabilizers
10. Money market equilibrium

(10 × 1 = 10 Marks)

P.T.O.

SECTION – II

Answer any **eight** questions not exceeding one paragraph. **Each** question carries **2** marks.

11. Distinguish between exogenous and endogenous variables.

12. Define consumption function.

13. What is the consumption-smoothing model? Discuss.

14. Explain the GDP deflator.

15. What are the credit market constraint?

16. Discuss the open market operation.

17. Write a note on investment and smoothing.

18. Describe the Nash equilibrium.

19. What is meant by bank balance sheet?

20. What are the factors affecting consumption?

21. What is meant by balance of payments?

22. Explain the types and determinants of investment.

23. Define disposable income.

24. Describe the accelerator.

25. Describe the Keynesian economics.

26. Define Structural unemployment.

(8 × 2 = 16 Marks)

SECTION – III

Answer any **six** of the following. **Each** answer should not exceed **120** words. **Each** question carries **4** marks.

27. Discuss the difference between micro economics and macro economics.

28. Illustrate the circular flow of income and expenditure.

29. How do people deal with the Household shocks?

30. Distinguish between the nature of money and wealth.

31. Explain the impatience and the diminishing marginal returns to consumption.

32. Discuss the tools of monetary policy.

33. Briefly explain the sovereign debt crisis.

34. Illustrate and explain the Keynesian Cross diagrams.

35. Discuss the Keynesian theory of Demand for money.

36. Describe the main propositions of ISLM model.

37. Explain the concept of crowding out effect.

38. Illustrate the factors shifting the IS curve.

(6 × 4 = 24 Marks)

SECTION – IV

Answer any **two** of the following. **Each** answer should not exceed **4** pages. **Each** question carries **15** marks.

39. How economies fluctuate between booms and recessions? Explain its implications.

40. Critically examine the nature and significance of credit market.

41. Discuss the significance of central bank on stabilising the economy.

42. How does Keynes criticise the Classical model? Explain.

43. Examine the meaning, tools and types of fiscal policy.

44. Derive and explain the IS LM curve with comparative equilibrium situations.

(2 × 15 = 30 Marks)
