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Reg. No. : .....

Name : .....

Fourth Semester B.A. Degree Examination, March 2020

First Degree Programme under CBCSS

Economics

Core Course V — EC 1442 — MACRO ECONOMICS – I

(2015 Admission Onwards)

Time : 3 Hours Max. Marks : 80

SECTION – I

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

1. Stock variable.
2. Endogenous variable.
3. Potential GNP.
4. GNP deflator.
5. Marginal Efficiency of Capital.
6. Exogenous variable.
7. Net Economic Welfare.
8. Full Employment.
9. General equilibrium.
10. Real Wage.

(10 × 1 = 10 Marks)

P.T.O.

SECTION – II

Answer **any eight** questions not to exceeding **1** paragraph. **Each** question carries **2** marks.

11. What are the major macro variables?

12. Explain the Equation of Exchange.

13. Explain the difference between stock and flow variables.

14. What is meant by neutrality of money?

15. What is meant by the income effect of an increase in real wage?

16. Explain 'Pigou effect'.

17. Distinguish between partial and general equilibrium.

18. The classical firmly believed that the Say's Law will work in a money economy too. Why?

19. Explain Keynes's psychological law of consumption.

20. Differentiate between actual and potential GNP.

21. Explain Classical Dichotomy.

22. Explain the comparative statics and dynamics.

(8 × 2 = 16 Marks)

SECTION – III

Answer **any six** questions not exceeding **120** words. **Each** question carries **4** marks.

23. Compare and contrast macro-statics with macro-dynamics.

24. Explain the Say's Law of Markets.

25. Explain the concept NEW.

26. Explain the concept of Aggregate Demand.

27. Explain the relevance of multiplier concept in Keynesian theory.

28. Explain the Classical Quantity Theory of Money.

29. Examine the saving investment equality.

30. Explain the different National Income concepts.

31. Explain the methods of measuring National income.

(6 × 4 = 24 Marks)

SECTION – IV

Answer **any two** questions not to exceeding **4** pages. Each question carries **15** marks.

32. Explain how the classical interest rate theory rules out deviation from full employment due to any deficiency of aggregate demand.

33. Discuss the Classical Model of Employment and Output determination.

34. Explain in detail, the difference between classical and Keynesian theory.

35. Explain the Classical Theory of prices and show how real output and employment are invariant to the quantity of money?

(2 x 15 = 30 Marks)
