

E 2895

(Pages : 2)

Reg. No.....

Name.....

**B.A. DEGREE (C.B.C.S.S.) EXAMINATION, APRIL 2022**

**Fifth Semester**

B.A. Economics (Model I)

Core Course—PRINCIPLES OF MACRO ECONOMICS

(2013 to 2016 Admissions)

Time : Three Hours

Maximum Marks : 80

**Part A (Definition Type Questions)**

*Answer all the following questions in one sentence each.*

*Each question carries 1 mark.*

- |                           |                        |
|---------------------------|------------------------|
| 1. GNP deflator.          | 2. Stock variable.     |
| 3. Autonomous investment. | 4. Double counting.    |
| 5. Value addition.        | 6. Private income.     |
| 7. Equation of Exchange.  | 8. MPS.                |
| 9. Consumption function.  | 10. Static multiplier. |

(10 × 1 = 10)

**Part B (Short Answer Questions)**

*Answer any eight of the following questions in a paragraph each not exceeding 100 words.*

*Each question carries 2 marks.*

11. What are the Keynesian criticisms of the classical economics ?
12. What is meant by GDP at factor cost ?
13. What are the leakages that affect the working of a multiplier ?
14. What is Pigou effect ?
15. Why wages and prices are sticky downwards ?
16. What is a consumer price index ?
17. What is endogeneous variable ?
18. What is Say's law of markets ?
19. Distinguish between real and nominal GNP.
20. What is classical dichotomy ?
21. What is balanced budget multiplier ?
22. What are the assumptions of classical economics ?

(8 × 2 = 16)

**Turn over**

**Part C (Short Essays)**

*Answer any six of the following questions in one and a half pages each.  
not exceeding 150 words.*

*Each question carries 4 marks.*

23. Explain the income method of national income estimation.
24. What is meant by effective demand ?
25. What is the cash balance approach to the demand for money ?
26. Explain the idea, 'net economic welfare'.
27. Explain the concept of 'foreign trade multiplier'.
28. What is the importance of private saving and investment ?
29. Explain the classical theory of employment.
30. How does the investment multiplier work in an economy ?
31. Distinguish between Micro and Macro economics.

(6 × 4 = 24)

**Part D (Long Essays)**

*Answer any two of the following questions not exceeding four pages each.  
Each question carries 15 marks.*

32. Explain the Keynesian model of income determination.
33. Explain the classical theory of employment.
34. How is an economic model created ? What are its uses ?
35. What are the various national income concepts and their inter-relationships ?

(2 × 15 = 30)