B.A DEGREE (CBCS) EXAMINATION, MAY 2019

Fourth Semester

B.A Economics Model I

Core Course - EC4CRT05 - MACRO ECONOMICS- I

2017 Admission onwards

8DF93A22

Maximum Marks: 80   **Time: 3 Hours**

Part A

Answer any **ten** questions.

Each question carries **2** marks.

1. Define National Income.

2. What is double counting

3. Full employment.

4. Derive the marginal productivity of labour or demand for labour curve from the classical production function

5. What is autonomous consumption

6. Distinguish between APS and MPS

7. What is planned investment

8. What are the two factors determining Marginal Efficiency of Capital

9. What is Aggregate Demand Function

10. Define aggregate supply function

11. Define autonomous investment

12. Define inflationary gap

(10×2=20)

Part B

Answer any **six** questions.

Each question carries **5** marks.

13. What are the differences between Macroeconomics and Microeconomics.

14. Explain the value added method of estimating national income.

15. Explain cash transactions approach.

16. Explain Classical dichotomy .

17. Explain Keynes criticism of classical theory.

18. Write a note on Keynesian revolution

19. Calculate APC , MPC , APS and MPS when income is 1000, 2000, 3000,4000,5000,6000 and consumption is 900,1700,2300, 2600,2800, 3000

20. Discuss the objective factors determining consumption

21. What is an open economy

<div align="right">(6×5=30)</div>

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Explain National income estimation in India.

23. How do rate of intrest is deternined in the classical system?What changes would you expect if there is an increase in the demand for investment?

24. How is output and income determined in an open economy model

25. Explain the shifts in IS curve and LM curves and the resulting equilibrium possitions

<div align="right">(2×15=30)</div>