Name:……………

Roll No:……….....

**SAINTGITS COLLEGE OF APPLIED SCIENCES**

PATHAMUTTOM P.O, KOTTAYAM

I Internal Examination [February 2017]

**BA CORPORATE ECONOMICS Sixth Semester**

**MACRO ECONOMICS II**

Time: 2 hours maximum: 50 Marks

**Section A**

*Answer* ***all*** *questions in one sentence each. Each question carries* ***1 mark****.*

1. What do you mean by induced investment?
2. Define multiplier.
3. What is a business cycles?
4. What do you mean by precautionary demand for money?
5. What is stagflation?

(5 x 1= 5 marks)

**Section B**

*Answer any* ***five*** *questions. Each question carries* ***2 marks***

1. Features of business cycles
2. Investment multiplier
3. Assumptions of multiplier
4. Monetary policy to control business cycles
5. What do you mean by principle of acceleration
6. Limitations of multiplier

(5 x 2 = 10 marks)

**Section C**

*Answer any* ***five*** *questions. Each question carries* ***4 marks****.*

1. What is Schumpeter’s innovations theory
2. Note on effects of business cycles
3. Multiplier in an underdeveloped nation
4. Phases of a business cycle
5. Super multiplier
6. Limitations of acceleration principle

(5 x 4 = 20 marks)

**Section D**

*Answer any* ***one*** *question. Each question carries* ***15 marks****.*

1. Discuss the various methods of controlling business cycles
2. “The higher the marginal propensity to consume, the higher will be the value of multiplier’. Discuss this statement.

(1×15=15)

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