

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, OCTOBER 2018**Fifth Semester**

B.A. Corporate Economics

Core Course—MACROECONOMIC—I

Time : Three Hours

Maximum Marks : 80

Part A (Definition Type Questions)*Answer all the questions in one sentence each.**Each question carries 1 mark.*

Define the following :

1. Monetary Policy.
2. Marginal Propensity to consume.
3. Consumption function.
4. Define Investment.
5. MEC.
6. Multiplier.
7. Involuntary unemployment.
8. Macroeconomics.
9. Inflation.
10. National Income.

(10 × 1 = 10)

Part B*Answer any eight of the following questions in a paragraph each.**Not exceeding 100 words.**Each question carries 2 marks.*

11. Write a note on Permanent Income Hypothesis.
12. Distinguish between Gross and Net Investment.
13. Functions of Money.
14. Trade Cycle.
15. Quantity Theory of Money.
16. Different Measures of Money Supply.
17. Deflationary Gap.
18. Circular flow.
19. Liquidity Trap.

Turn over

20. Inflation.
21. Aggregate demand.
22. Scope of Macroeconomics.

(8 × 2 = 16)

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 Say's Law.
24. Distinguish between Autonomous and Induced investment.
25. Write a note on investment.
26. Discuss income method.
27. Explain Life Cycle Hypothesis.
28. Write a note on cost push inflation.
29. Discuss Phillips curve.
30. Explain Classical Dichotomy.
31. What are the effects of inflation ?

(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. Discuss the uses of National income accounting and its limitations.
33. Discuss various types inflation. Discuss their causes and remedies.
34. Critically evaluate Absolute Income Hypothesis.
35. Discuss how Keynes criticised Classical theory of employment.

(2 × 15 = 30)