

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2019**Sixth Semester**

B.A. Corporate Economics

Core – MACRO ECONOMICS-II

(2013 Admission onwards)

Time : Three Hours

Maximum Marks : 80

Part A (Very Short Answers)*Answer all the questions.**Each question carries 1 mark.*

1. Disguised unemployment.
2. Aggregate supply function.
3. Write the formula for multiplier.
4. Marginal propensity to consume.
5. Private investment.
6. Speculative motive.
7. Liquidity trap.
8. Running inflation.
9. Samuelson's model of trade cycle is based on the interaction of _____.
10. Reciprocal demand.

(10 × 1 = 10)

Part B (Short Answers)*Answer any eight questions.**Each question carries 2 marks.*

11. What is Leontief paradox?
12. State any *four* assumptions of Hicksian model of trade cycle.
13. Write a short note on Profit-Push inflation.
14. Mention any *four* weaknesses of the IS-LM model.
15. Briefly discuss the functions of money.
16. What are the sources of the supply of loanable funds?
17. Explain the paradox of thrift.

Turn over

18. State any *four* factors affecting the Marginal Efficiency of Capital.
19. Distinguish between Autonomous and Induced investment.
20. Discuss the Keynes views on saving - investment equality.
21. Write a short note on Super multiplier.
22. What is meant by cross investment?

(8 × 2 = 16)

Part C (Short Essays)

Answer any six questions.

Each question carries 4 marks.

23. Explain the classical model of output and employment determination.
24. Write a short essay on different types of Unemployment.
25. Discuss critically the acceleration principle.
26. Define Investment. Describe the factors guide to the investment decision.
27. Explain the Keynes theory of money and price.
28. Derive and explain an IS curve.
29. Bring out clearly the non-monetary theories of business cycle.
30. Discuss Samuelson's model of business cycle.
31. Explain factor price equalisation theorem.

(6 × 4 = 24)

Part D (Long Essays)

Answer any two questions.

Each question carries 15 marks.

32. Explain the relevance of Keynesian economics for the developing countries.
33. Critically examine the comparative cost theory.
34. Bring out the relationship between money and interest.
35. Explain the Keynesian theory of investment.

(2 × 15 = 30)