



QP CODE: 21100319



Reg No : .....

Name : .....

**B.A DEGREE (CBCS ) EXAMINATION, FEBRUARY 2021**

**Fifth Semester**

B.A Corporate Economics Model III

**Core Course - EC5CRT03 - MACRO ECONOMICS I**

2017 Admission Onwards

E301E0C8

Time: 3 Hours

Max. Marks : 80

**Part A**

*Answer any **ten** questions.*

*Each question carries 2 marks.*

1. Define Macro Economics?
2. Explain the different sectors in circular flow of income in an open economy?
3. What is Depreciation?
4. Explain Expenditure method?
5. What is repo rate?
6. What is short run Phillips curve?
7. What are the main tools that are used in monetary policy?
8. What is Mercantalism?
9. What is Classical Dichotomy?
10. What is sticky prices?
11. What is average propensity to consume?
12. What is deflationary gap?

(10×2=20)

**Part B**

*Answer any **six** questions.*

*Each question carries 5 marks.*

13. What are the important problems that constitute the subject matter of macro economics? Briefly explain them.





14. Explain the role of government in macro economy?
15. Explain the uses of National Income?
16. Explain the following terms:
  1. Net value added
  2. Net factor income from abroad
  3. Transfer payments by the Government
17. What is Bank rate? What is the effect of increase in bank rate?
18. Examine the determination of income and employment in the short-run -without saving and investment?
19. Elucidate the different schools of Economics?
20. What is the difference between Permanent income hypothesis and Life cycle hypothesis?
21. Explain the concept Inflationary and deflationary gap?

(6×5=30)

### **Part C**

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Explain circular flow of income in an open economy?
23. Assess the importance and difficulties in the measurement of National Income?
24. Briefly explain the types of Inflation?
25. Explain Keynes's Theory of employment? How does it differ from Classical theory?

(2×15=30)

