

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**  
**(For Candidates admitted during the academic year 2004 – 2005 & thereafter)**

**SUBJECT CODE: EC/MC/MA54**

**B.A. DEGREE EXAMINATION NOVEMBER 2009**  
**BRANCH IV – ECONOMICS**  
**FIFTH SEMESTER**

**COURSE : MAJOR – CORE**  
**PAPER : MACRO ECONOMICS**  
**TIME : 3 HOURS**

**MAX.MARKS : 100**

**SECTION – A**

**ANSWER ALL QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS.**

**(10 X 3 = 30)**

1. Define Macro economics.
2. What is meant by Macro Dynamics?
3. What is the relation between NNP at factor costs and NNP at Market Prices?
4. What is meant by social accounting ?
5. State the assumption of Classical theory of full employment.
6. Define 'consumption'.
7. What is meant by aggregate supply function?
8. Explain the concept of effective demand.
9. State the meaning of saving and investment.
10. Explain the concept of paradox of thrift.

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS.**

**(5 X 6 = 30)**

11. Differentiate between stock and flow variables.
12. Briefly state the limitations of Macro Economics
13. Explain the circular flow of income in a three sector model.
14. What are the different theories of consumption? Discuss any two theories.
15. Explain the concept of Pigou Effect.
16. What is a multiplier? Discuss the different types.
17. Distinguish between autonomous investment and induced investment

**SECTION – C**

**ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS.**

**(2 X 20 = 40)**

18. Describe the technique of preparing social accounts. How can such different sector accounts be consolidated?
19. What are the main essentials of classical macro-economic system? On what grounds was it attacked by Keynes?
20. How will you derive the aggregate demand and aggregate supply function?
21. What are the factors that cause shifts in MEC and MEI?

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