

B.A. DEGREE EXAMINATION NOVEMBER 2011
BRANCH IV – ECONOMICS
FIFTH SEMESTER

COURSE : MAJOR – CORE
PAPER : MACRO ECONOMICS - I
TIME : 3 HOURS

MAX.MARKS : 100

SECTION – A

I. All TEN questions to be answered in 50 words each. (10 X 3 = 30)

1. Define macro economics.
2. What do you mean by macro-statics?
3. Define social accounting.
4. Draw the circular flow of income diagram in a two sector model-without saving and investment.
5. Define Say's Law of Market.
6. Explain the term 'value of money'.
7. What do you mean by effective demand?
8. State Keynes' psychological law of consumption.
9. What do you mean by autonomous investment?
10. Distinguish between multiplier and accelerator.

SECTION – B

II. Answer any FIVE questions in 300 words each. (5 X 6 = 30)

11. Discuss the limitations of 'Aggregative Approach'.
12. Explain the following concepts:
 - a) Private income
 - b) Disposable income
 - c) Mixed income
 - d) Real national income
 - e) Per capita income
 - f) Net factor income from abroad
13. Explain how employment and wage equilibrium is determined in the labour-market?
14. Give a short note on Keynes' under-employment equilibrium.
15. Explain the objective factors which influence the consumption function.
16. Describe the various leakages in the multiplier process.
17. Distinguish between micro and macro economics.

SECTION – C

III. Answer any TWO questions in 1200 words each. (2 X 20 = 40)

18. State and explain the methods used to measure national income and also its difficulties.
19. Discuss the objections raised by Keynes on classical theory of employment.
20. Explain 'Absolute and Relative Income Hypothesis'.
21. Describe the working of Super-multiplier principle.

