

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 2007
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. State the limitations of Macro Economics.
2. Define 'Equilibrium'.
3. Differentiate stock from flow.
4. Differentiate Gross Domestic Product at factor cost from, Gross Domestic Product at Market Price.
5. What is 'Social Accounting'?
6. What are the basic assumptions of the classical theory of employment?
7. What is meant by effective demand?
8. What is super multiplier?
9. What is meant by Marginal Efficiency of Capital?
10. State Say's Law of Markets.

SECTION – B

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

(5 X 6 = 30)

11. Briefly differentiate Micro Economics from Macro Economics.
12. Explain Circular flow of income in a four sector economy.
13. Discuss the classical theory of employment and income determination.
14. Distinguish between induced investment and autonomous investment.

15. Explain Keynes psychological law.
16. Examine the short – run factors that determine MEC.
17. Explain the contribution of Keynes to economic theory.

SECTION – C

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

(2 X 20 = 40)

18. Discuss the meaning, types, scope and importance of Macro Economics.
19. How is national income calculated? What are the difficulties in its measurement?
20. Define consumption function. Explain the life cycle hypothesis.
21. Explain the multiplier – accelerator interaction through illustration.

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