STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
(For Candidates admitted during the academic year 2011 – 2012 & thereafter)

SUBJECT CODE: 11EC/MC/MA54

B.A. DEGREE EXAMINATION NOVEMBER 2014
BRANCH IV – ECONOMICS
FIFTH SEMESTER

COURSE   : MAJOR – CORE
PAPER   : MACRO ECONOMICS - I
TIME   : 3 HOURS   MAX.MARKS : 100

SECTION – A

I. ANSWER ALL QUESTIONS IN 50 WORDS EACH.   **(10 X 2 = 20)**

1. Outline the scope and importance of macro economics framework.

2. Explain the concepts – stock, flow and function.

3. State the say's law of market and its implications.

4. What is wage-price flexibility in the classical tradition used for?

5. What is effective demand – specify its significance.

6. What are the causes for cyclical unemployment in the Keynesian context?

7. What is demonstration effect and 'Rachet effect'?

8.   What are the factors that determine saving.

9. Give the definitional equation of the multiplier.

10. What is super multiplier?

SECTION – B

II. Answer any FIVE questions in 300 words each.   **(5 X 8 = 40)**

11. What are the difficulties in the calculation and procedures of national income
    accounting?

12. Explain the role of money and prices in the determination of income and employment.

13. How does the classical theory and the Keynesian theory differ in the relevance of
    income and output determination?

14. What is the policy implication of the Keynesian theory of income and employment?

15. What are the factors that determine consumption?

16. Explain MEC and MEI in comparison.

17. Explain the working of the accelerator.

SECTION –C

III. Answer any <u>TWO</u> questions in 1200 words each.   **(2 X 20 = 40)**

18. Explain the methods of national income accounting.

19. Explain the fiscal and monetary policy implications in the classical equilibrium model and the Keynesian model.

20. Explain the discussion on consumption given by Keynes, Duesenberry, Friedman and Modigliani.

21. Explain in detail the working of the multiplier and its importance in the economy.

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