

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
(For Candidates admitted during the academic year 2008 – 2009)

SUBJECT CODE: EC/MC/MA54

B.A. DEGREE EXAMINATION NOVEMBER 2010
BRANCH IV – ECONOMICS
FIFTH SEMESTER

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

MAX.MARKS : 100

SECTION – A

Answer All Questions. EACH ANSWER NOT TO EXCEED 50 WORDS.

(10 X 3 = 30)

1. What is Macro Economics?
2. Define 'stock' and 'flows'.
3. Define Net National income at Factor cost.
4. Define 'circular flow of income'.
5. Define the concept of Net Economic Welfare'.
6. What is meant by Aggregate Demand'?
7. State the Keynesian Psychological law of consumption.
8. What is meant by 'Ratchet effect'?
9. State the short run factors that brings about shift in MEC.
10. Define 'Multiplier'.

SECTION – B

Answer Any FIVE questions. EACH ANSWER NOT TO EXCEED 300 WORDS.

(5X6 = 30)

11. Bring out the differences between Statics and comparative statics.
12. What are the practical difficulties in measurement of National Income?
13. Explain the circular flow of income in a four sector economy.
14. Explain the concept of Aggregate Supply.
15. Explain the factors determining consumption function.
16. Bring out the criticism against Life cycle Hypothesis.
17. Explain the concept of MEC.

SECTION –C

Answer any TWO questions. EACH ANSWER NOT TO EXCEED 1200 WORDS.

(2X20 = 40)

18. Discuss the classical theory of employment in a two sector economy.
19. The concept of effective demand becomes significant in explaining the underemployment equilibrium – Discuss.
20. Explain in detail Permanent Income Hypothesis.
21. Explain the working of Multiplier –Accelerator Interaction.
