

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86**  
**(For Candidates admitted during the academic year 2015 – 2016)**  
**SUBJECT CODE: 15EC/MC/MA55**

**B.A. DEGREE EXAMINATION NOVEMBER 2017**  
**BRANCH IV – ECONOMICS**  
**FIFTH SEMESTER**

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

**MAX. MARKS: 100**

**SECTION – A**

**ANSWER ANY TEN QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS**  
**(10x2=20)**

1. Define of Macroeconomics.
2. Differentiate real and nominal income with an example.
3. State the difficulties in the estimation of national income.
4. Find out APC and MPC from the given data:

$Y_d$	C
0	40
100	120
200	200
300	280
400	350

5. What is meant by effective demand?
6. Describe demonstration effect with an example.
7. What is meant by unemployment?
8. Describe the concept 'transitory' income.
9. Bring out any two assumptions of acceleration theory of Investment.
10. List out the Keynesian objections against the Classical analysis.
11. List out different types of multiplier.
12. What is meant by MEI?

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 400 WORDS**  
**(5x8=40)**

13. Explain Fisher's equation of Quantity theory of money.
14. Explain the classical theory employment with savings and investment.
15. Discuss the propositions and assumptions of Keynesian' Psychological law of consumption.
16. Critically review life cycle theory of consumption.
17. Distinguish the ideas of Classical and Keynesian.
18. Briefly discuss the factors that determine investment.
19. Discuss the different types of multiplier.
20. Is GDP a good indicator of welfare?

**SECTION – C**

**ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1000 WORDS** (2x20=40)

21. Discuss the different methods of estimation of National income and its uses.
22. Analyse the concept of permanent income hypothesis with suitable example and diagrammatic representation.
23. Discuss the Keynesian theory of income and employment determination with suitable representation.
24. Discuss Keynes Savings function with equation.

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