

C 82485

Economics

(Pages : 2)

Name.....

Reg. No.....

**SECOND SEMESTER B.A./B.Sc. DEGREE EXAMINATION, APRIL 2020**

(CBCSS—UG)

Economics

ECO 2B 02—MACROECONOMICS—I

(2019 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

**Section A (Short Answer Questions)**

*Maximum marks in this section are 25.*

*Students can attempt all questions.*

*Each question carries a maximum of 2 marks.*

1. Distinguish between stock and flow variables.
2. Distinguish between endogenous and exogenous variable.
3. What do you mean by neutrality of money ?
4. Write a note on classical dichotomy.
5. What do you understand by macro-economic crisis ?
6. Write and explain Fisher's Equation of Exchange.
7. What is money illusion ?
8. Explain the concept of effective demand.
9. What are the functions of money ?
10. Write a note on the concept Keynesian Liquidity Trap.
11. Distinguish between nominal and real interest rate.
12. What are the measurements of money supply ?
13. Explain tax and expenditure multiplier.
14. What are the fiscal measures ?
15. What is Marginal Efficiency of Investment ?

**Turn over**

**Section B (Short Essay Questions)**

*Maximum marks in this section is 35.*

*Students can attempt all questions.*

*Each question carries a maximum of 5 marks.*

16. Explain the major pillars of classical economics.
17. Write a note on Cambridge cash balance approach.
18. Explain the following concepts :
  - (a) GDP.
  - (b) GNP.
  - (c) NNP.
  - (d) Disposable Personal Income.
19. What are the important factors determining consumption ?
20. Write a note on High Powered Money.
21. What are the important determinants of investments ?
22. Explain inflationary and deflationary gaps with suitable diagrams.
23. Distinguish between Classical and Keynesian theories of output and employment.

**Section C (Long Essay Questions)**

*Answer any two questions.*

*Each question carries a maximum of 10 marks.*

24. Explain the macroeconomic situation for the Keynesian revolution in economic theory and policy.
25. Explain the Keynesian Liquidity Preference theory of interest with suitable diagrams.
26. Explain the methods and problems in estimating national income.
27. Explain Friedman's re-statement of Quantity Theory of Money.