SECOND SEMESTER B.A. DEGREE (SUPPLEMENTARY) EXAMINATION DECEMBER 2012

(CCSS)

Economics

EC 2C 03—ESSENTIALS OF ECONOMICS MACRO

Time : Three Hours——————————————————————— Maximum : 30 Weightage

Answers may be written **either** *in English* **or** *in Malayalam.*

Answer **all** *twelve questions.*

1. A. Multiple Choice Questions :

   1 The concept of underemployment equilibrium was developed by :

       (a) David Ricardo.   (b) J.B. Say.

       (c) J.M. Keynes.   (d) Marshall.

   2 Classical economic theory focussed on :

       (a) Demand side.   (b) Supply side.

       (c) Public investment.   **(d) All** of the above.

   3 "The principles of Political Economy and Taxation" was authored by :

       (a) Karl Marx.   (b) Adam Smith.

       (c) Keynes.   (d) David Ricardo.

   4 The aggregate money value of final goods and services is called :

       (a) Personal income.   (b) Per capita income.

       (c) National income.   (d) Disposable income.

   B. Fill in the blanks :

   5 Under employment equilibrium is associated with name of _____

   6 NDP stands for _____

   7 In the Keynesian system $Y = C +$ _____

   8 One of the main assumptions of classical theory is _____

   C. Answer in a word/sentence :

   9 GDP.

   10 The study of aggregates is called.

   11 Inflation.

   12 "The General theory" is authored by.

                                      (12 x   = 3 weightage)

Turn over

II. Short Anwer Type Questions. Answer *all* nine questions

13 . Invisible hand.

14 Consumption function.

15 GNP and GDP.

16 Point out four difficulties in estimating national income.

17 Keynesian revolution.

18 Effective demand.

19 Full employment.

20 Wage-price flexibility.

21 Macro Economics.

(9 x 1 = 9 weightage)

III. Short Essay or Paragraph Questions. Answer any *five* questions

22 Explain the terms GHP, GDP, NNP and NDP.

23 Examine the circular flow of income in a two sector model.

24 Examine the importance of macro economics.

25 Discuss the method of measuring national income.

26 Explain wage price flexibility.

27 Examine aggregate demand function.

28 Explain the classical theory of employment.

(5 x 2 = 10 weightage)

IV. Essay Questions. Answer any *two* questions :

29 Critically examine the Say's Law of markets.

30 Examine the contribution of Keynes to the development of macro economics.

31 Define National Income. Explain the various methods of measuring national income.

(2 x 4 = 8 weightage)