V Semester B.A. Degree (CBCSS – OBE – Regular/Supplementary/
Improvement) Examination, November 2022
(2019 Admission Onwards)
CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
5B09ECO/DEVECO : Macro Economic Analysis – I

Time : 3 Hours

Max. Marks : 40

PART – A

Very short answer type questions. Answer **all** questions.

(1×6=6)

1. Define Ex-ante and Ex-post variable.

2. What is Say's Law of Market ?

3. Define neutrality of money.

4. Distinguish between inflationary gap and deflationary gap.

5. Define macroeconomics.

6. Explain the term 'Consumption Puzzle'.

PART – B

Short answer type questions. Answer **any six** questions.

(6×2=12)

7. Explain circular flow of income.

8. Briefly explain autonomous and induced investment.

9. Differentiate MEC and MEI.

10. Explain the process of interest determination in the classical school.

11. Explain wage price flexibility.

12. Explain balanced budget multiplier.

13. Explain Ratchet effect and Demonstration effect.

14. Elucidate the money market equilibrium in the classical theory.

PART – C

(3×4=12)

Short essay type questions. Answer **any four** questions.

15. Explain the Keynesian response to the Great Depression of 1930's.

16. Distinguish between the permanent and transitory concept of income and consumption.

17. What are the objectives of macroeconomic policy ?

18. Distinguish between proportional and non proportional consumption function.

19. Describe the permanent income hypothesis.

20. Bring about the technical attributes of Keynesian consumption function.

PART – D

(5×2=10)

Essay type questions. Answer **any two** questions.

21. Discuss the Keynesian theory of employment income determination. How far it is an improvement up on the classical theory ?

22. Critically examine the relative income hypothesis.

23. Explain the scope and significance of macroeconomics. Discuss the evolution of modern macroeconomics.

24. Critically examine the liquidity preference theory of Keynes.

_____