

QP CODE

H1007

Enrollment Number:

Name:

B.A DEGREE EXAMINATIONS, FEBRUARY 2026

Fifth Semester

B.A Economics

**B21EC05DC – Macroeconomics - I
(2023 January Admissions)**

Time: 3 Hours

Max Marks: 70

Section A

Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.

1. Is savings a stock or flow variable?
2. What is Underemployment equilibrium?
3. Define money supply.
4. Who propounded the quantity theory of money?
5. Give one difference between partial and general equilibrium.
6. What is Liquidity Trap?
7. Who introduced the concept of Investment Multiplier?
8. Mention one item excluded from national income calculations.
9. What is balanced budget multiplier?
10. Define effective demand.
11. What is Aggregate Demand Function (ADF)?
12. Explain autonomous consumption.
13. What is Fiat Money?
14. Define Full employment.
15. Explain the concept of GDP deflator.

(1X10=10)

Section B

Answer any ten of the following questions in two or three sentences each. Each question carries 2 marks.

16. Distinguish between narrow money (M1) and broad money (M3).
17. What is Per capita income?
18. Distinguish between GDP and GNP.
19. State the assumptions of the classical theory of employment.

20. What is meant by Tax multiplier?
21. Explain two functions of Central Bank.
22. What is meant by neutrality of money according to classical theory?
23. Explain the simple Keynesian Model of Income Determination.
24. What is Gross Value Added Method?
25. Describe the term 'Macro Statics' in Economics.
26. What are the main objectives of Central Bank?
27. Explain the determinants of Money Supply.
28. What is Speculative demand for Money?
29. Distinguish between GDP at Factor Cost and Market Price.
30. Explain $MV = PT$.

(2X10=20)

Section C

Answer any five of the following questions in a paragraph each. Each question carries 4 marks.

31. Explain the main objectives of monetary policy in India.
32. Write a short note on three motives of money according to J M Keynes.
33. Briefly explain Cambridge version of money.
34. What is Say's Law? How does it form the basis of the Classical Theory of Output and Employment?
35. Explain the significance of Multiplier in economic policy making.
36. Explain in detail the concept of Liquidity Trap.
37. Distinguish between qualitative and quantitative credit control measures by RBI.
38. Describe the role of the interest rate in maintaining equilibrium between saving and investment.
39. Explain the process of credit creation by commercial bank.
40. Briefly explain macroeconomic models in economics.

(4X5=20)

Section D

Answer any two of the following questions in two pages each. Each question carries 10 marks.

41. Discuss Macroeconomic Variables and Macroeconomic Goals.
42. What is national income? Explain different methods used for estimating national income.
43. What are the determinants of investment in the Keynesian system? Explain the roles of Marginal Efficiency of Capital (MEC) and the rate of interest.
44. Explain the classical theory of output and employment.

(10X2=20)