

7 The point of intersection between AD and AS is called _____

8 Personal disposable income is the sum of consumption plus _____

C Answer in a word/sentence :

9 Anything which is most commonly accepted as a medium of exchange is called :

10 The value of a product is counted more than one time is known as :

11 Investment necessary to replace the old and wornout machines.

12 Purchase of, using up of, possession of goods and services to satisfy human wants is termed as :

(12 x 3 = 36 weightage)

II. Short answer type questions (Answer all *nine* questions :

13 Define Macro-Economics.

14 Distinguish between Micro and Macro-economics.

15 What is transfer payments ?

16 What is actual GNP ?

17 Distinguish between APC and MPC.

18 Explain S-I relationship.

19 What is national income ?

20 What is capital output ratio ?

21 What is neutrality of money ?

x I = 9 weightage)

III. Short essay or paragraph questions (Answer any *five* questions)

22 Explain Macro-Economic Paradoxes.

23 What are the components of AD ?

24 What are the factors affecting consumption ?

25 Explain the concept MEC.

26 What is Replacement investment ?

27 Explain Demonstration effect.

28 Explain Consumption function.

(5 x 2 = 10 weightage)

SECOND SEMESTER B.A. DEGREE EXAMINATION, MAY 2014

(U.G.–CCSS)

Core Course—Economics

EC 2B 02—MACRO-ECONOMICS – I

(2009 – 2012 admissions)

Time • Thr Hours _____

Maximum : 30 Weightage

Answers may be written either in English or in Malayalam.

I. Answer all *twelve* questions :

A Multiple Choice Questions.

1 NNP is :

- (a) Personal income. (b) GDP.
(c) GNP minus depreciation. (d) GNP plus depreciation.

2 Classicists assume that saving is a direct function of :

- (a) Rate of interest. (b) Income.
(c) Demand. (d) Supply.

3 MEI relates investment to the :

- (a) Rate of profit. (b) Rate of sales.
(c) Rate of return. (d) Rate of interest.

4 Simultaneous equilibrium in the money and good markets exists :

- (a) At an unlimited number of output levels and rate of interest.
(b) At only one output and rate of interest level.
(c) At an unlimited number of output and only one level of rate of interest.
(d) At an unlimited number of rate of interest and only one output level.

B Fill in the blanks :

5 Fishers' equation of exchange is _____

6 Income minus consumption is _____

Turn over

v. Essay questions (Answer any *two* questions) :

29 Critically explain Say's Law of market.

30 Briefly explain cash transaction approach of quantity theory of money.

31 Illustrate the working process of multiplier.

(2 X 4 = 8 weightage)