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(FOR THE CANDIDATES ADMITTED  
DURING THE ACADEMIC YEAR 2022 ONLY)

SUBJECT CODE 22UEO305

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : NOVEMBER-2023

BA ECONOMICS

MAXIMUM MARKS: 50

SEMESTER: III

TIME : 3 HOURS

**PART - III**

**MACRO ECONOMICS**

**SECTION – A**

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

(K1)

1. The study of Aggregates is said to be \_\_\_\_\_.  
a) Macro Economics                      b) Micro Economics  
c) Fiscal Economics                      d) Labour Economics
2. The point where the aggregate demand equals the aggregate supply is called \_\_\_\_\_.  
a) consumption function                      b) propensity to consume  
c) effective demand                      d) propensity to save
3. The marginal propensity to consume is always \_\_\_\_\_.  
a) equal to one                      b) greater than one                      c) less than one                      d) equal to zero
4. The change in income due to change in investment is known as  
a) Consumption                      b) Multiplier                      c) Accelerator                      d) IS curve
5. The position of IS curve depends on \_\_\_\_\_.  
a) rate of interest                      b) rate of investment  
c) autonomous expenditure                      d) exchange rate

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. What is Circular flow of income?
7. State the difference between the classical model and the Keynesian model.
8. List out the components of aggregate demand?
9. Write about the term marginal efficiency of capital (MEC)
10. What is LM curve?

(CONTD .... 2)

**SECTION – B****(5 X 3 = 15 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K3)**

11. a) Define Macro Economics.

**(OR)**

- b) Examine Gross Domestic Product at Factor Cost?

12. a) Describe aggregate supply?

**(OR)**

- b) Compare Classical and Keynesian Contribution.

13. a) Show the average propensity to consume and marginal propensity to consume

**(OR)**

- b) Discover the measures to raise the Propensity to Consume.

14. a) Find the criteria for which investors take decision to invest.

**(OR)**

- b) Identify the principle of accelerator?

15. a) Discover the IS curve through diagram.

**(OR)**

- b) Examine why LM curve slopes upward to the right.

**SECTION – C****(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K4/ K5)**

16. a) Examine the circular flow of income and goods.

**(OR)**

- b) Point out the difficulties in the computation of national income.

17. a) Summarise the Keynes's Principle of Effective Demand.

**(OR)**

- b) Analyse the Relevance of Keynesian Theory of Employment to UDCs.

18. a) Experiment the consumption function with diagram.

**(OR)**

- b) Evaluate the Keynes Psychological Law of Consumption.

19. a) Compare and contrast the induced investment and autonomous investment.

**(OR)**

- b) Discover the super multiplier.

20. a) Investigate the equilibrium in the commodity market.

**(OR)**

- b) Discuss the simultaneous shifts in IS and LM Functions

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