

(FOR THE CANDIDATES ADMITTED  
DURING THE ACADEMIC YEAR 2021 ONLY)

21UEO305

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS: DECEMBER-2022

COURSE NAME : B.A.-ECONOMICS

MAXIMUM MARKS: 70

SEMESTER: III

TIME: 3 HOURS

## PART - III

## MACRO ECONOMICS

## SECTION - A

(10X1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. The sectors that are discussed in Two sector models are\_\_\_\_\_.
  - a. household and foreign sector
  - b. Government and business firms
  - c. Household and Business firms
  - d. Government and household
2. "Supply creates its own demand". Who propounded this tenet?
  - a. J.S.Mill
  - b. J.B Say
  - c. A.C Piguo
  - d. J.M Keynes
3. Consumption function analyses the relationship of\_\_\_\_\_.
  - a. consumption and investment
  - b. income and employment
  - c. consumption and income
  - d. income and savings
4. \_\_\_\_\_ investment is the independent level of income and income elastic.
  - a. autonomous investment
  - b. foreign investment
  - c. public investment
  - d. induced investment
5. The shape of the IS curve depends upon the size of\_\_\_\_\_.
  - a. accelerator
  - b. consumption demand
  - c. Multiplier
  - d. rate of interest

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES (K2)

6. Define – National Income.
7. What do you mean by effective demand?
8. Define – consumption function.
9. What is meant by accelerator?
10. What do you understand by money market equilibrium?

## SECTION – B

(5 X 4 = 20 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. K3

11.a. Discuss in brief the interdependence of micro and macro economic analyses.

(OR)

b. Explain the usefulness of National income in analyzing an economy's aggregate behavior.

12. a. Discuss briefly the importance of effective demand.  
**(OR)**  
 b. What are the main propositions of classical theory of employment? Explain

13.a. . Explain the concept of propensity to consume and show how it occupies a strategic position in the theory of employment  
**(OR)**  
 b. Enunciate the factors that are affecting consumption function

14.a. Distinguish between autonomous and induced investment.  
**(OR)**  
 b. Explain in brief the reverse working of multiplier.

15.a. Why does IS Curve Slope Downward? Explain  
**(OR)**  
 b. Outline the essential features of LM curve.

**SECTION - C (4 X 10 = 40 MARKS)**

**ANSWER ANY FOUR OUT OF SIX QUESTIONS (16<sup>th</sup> QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS FROM Qn. No : 17 to 21) (K4 (Or) K5)**

16. In a three sector economy 'like any other sector in the economy, the government is involved in many activities- Comment.

17. State and explain the scope and importance of macro economic analysis.

18. Discuss and analyse the applicability of Keynes theory of employment in economically underdeveloped countries.

19. Critically analyse Keynes Psychological theory of consumption.

20. Describe the Principle of Acceleration and analyse its limitations.

21. How is simultaneous equilibrium in the real and money market occurring?  
 Explain with the help of diagram.

\*\*\*\*\*