



QP CODE: 22103664

22103664

Reg No :

Name :

**B.A DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS,
NOVEMBER 2022
Fifth Semester**

B.A Corporate Economics Model III

CORE COURSE - EC5CRT03 - MACRO ECONOMICS I

2017 Admission Onwards

D42420C2

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

Each question carries 2 marks.

1. What is Economic Growth?
2. What are the two flows in circular flow model?
3. Explain National Income.
4. What is intermediate consumption?
5. What is Inflation?
6. What is reverse Repo rate?
7. What is short run Phillips curve?
8. Explain the advocates of Classical theory.
9. What is Classical Dichotomy?
10. What is price rigidity?
11. What is Liquidity trap?
12. What is Inflationary gap?

(10×2=20)

Part B

*Answer any **six** questions.*

Each question carries 5 marks.





13. Explain briefly the main objectives of macro economic policies.
14. Explain the role of government in macro economy.
15. Distinguish between domestic product and national product. When can domestic product be more than the national product?
16. What precautions should be taken while estimating National Income by Output method?
17. Explain Phillips curve.
18. Explain the classical theory of employment and output.
19. Distinguish between classical school and Keynesian school.
20. Explain types of Investment.
21. Explain permanent income hypothesis. How does it differ from Keynes's absolute income hypothesis.

(6×5=30)

Part C

Answer any two questions.

Each question carries 15 marks.

22. Explain circular flow of income in an open economy.
23. On the basis of the following data about an economy which consists of only two firms, find out: a.) Value added by Firms A and B
b.) GDP at market prices

Rs. in Crore

1. Exports by Firm A	40
2. Imports by Firm A	100
3. Sales to households by Firm A	180
4. Sales to Firm B by Firm A	80
5. Sales to Firm A by Firm B	60
6. Sales to households by Firm B	120

24. What are the instruments of monetary policy? which tools of monetary policy are mostly used by the RBI?
25. Explain Keynes's Theory of employment ? How does it differ from Classical theory?

(2×15=30)

