

CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN,
SEMESTER END EXAMINATION, OCTOBER 2019

Semester :- III of B.A Subject:- Economics

Paper & Paper Code:-Macroeconomics-I (Eco Elective ECC103)

Total marks: 80

Date: 26-10-2019

Duration: 2 Hrs

Instructions: 1. All questions are compulsory.

2. Figures to the right indicate marks.

Q1. Briefly answer any four of the following questions :- (4X4=16)

- Briefly outline the main Macroeconomic issues.
- Explain the concepts of NDP at Market Prices and NDP at factor cost.
- What are the uses of National Income estimates?
- List the endogenous factors determining consumption.
- What is the relationship between MPC and K?
- Illustrate graphically and explain the Consumption Function.

Q2. Briefly answer any four of the following questions :- (4X4=16)

- Distinguish between actual and potential GDP.
- Which are the factors affecting Marginal Efficiency of Capital?
- Define fiscal policy. State the fiscal measures that could help in controlling inflation.
- What do you understand by Net Export Function?
- Briefly outline the Quantity Theory of Money.
- List the monetary aggregates used in India.

Q3. A. Discuss the product and income methods of calculating National Income. (12)

OR

Q3.B. Is GDP a good indicator of well-being? Discuss. (12)

Q4.A. Explain and illustrate the concept of the Multiplier. (12)

OR

Q4.B. MPC is neither 0 nor 1. Explain. What are the measures that can be taken to increase MPC ? (12)

Q5.A. Discuss the Liquidity Preference Theory of the rate of interest. (12)

OR

Q5.B. Outline the structure of the Balance of Payments. (12)

Q6.A. Explain the credit creation by Commercial Banks. (12)

OR

Q6.B. Write notes on:

- Effect of Leakages and Injections (6)
- Monetary Policy (6)
