



K21U 4588

Reg. No. :

Name :

V Semester B.A. Degree CBCSS (OBE) Regular Examination, November 2021
(2019 Admn. Only)
CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
5B09ECO/DEVECO : Macro Economic Analysis – I

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** carries **one** mark.

1. What do you mean by fiscal policy ?
2. What do you mean by under employment ?
3. What is investment ?
4. Define inflation.
5. What is meant by marginal efficiency of capital ?
6. What is called consumption function ? **(1×6=6)**

PART – B

Answer **any six** questions. **Each** carries **two** marks.

7. What do you mean by monetarism ?
8. What is meant by the consumption puzzle ?
9. State the difference between endogenous and exogenous variables.
10. State neutrality of money.
11. Explain deflationary gap.
12. Explain the concept accelerator.
13. What is called seasonal unemployment ?
14. What is classical dichotomy ? **(2×6=12)**

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PART - C

Answer any four questions. Each carries three marks.

15. Explain the circular flow of income in a three sector economy.
16. Describe wage price flexibility in classical economic thinking.
17. Explain Fisher's equation of exchange.
18. Explain absolute income hypothesis.
19. Differentiate autonomous and induced investment.
20. Write a note on wage price rigidity and the reasons for that. (3×4=12)

PART - D

Answer any two questions. Each carries five marks.

21. Explain life cycle hypothesis and permanent income hypothesis.
22. Explain Keynesian four sector model of income determination.
23. Critically evaluate the key classical economic assumptions.
24. Define monetary policy. Explain the key instruments of monetary policy. (5×2=10)