

**PSG COLLEGE OF ARTS & SCIENCE**  
(AUTONOMOUS)  
**BA DEGREE EXAMINATION DECEMBER 2024**  
(Third Semester)

Branch - **ECONOMICS**  
**MACRO ECONOMICS**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer **ALL** questions

**ALL** questions carry **EQUAL** marks (10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Out of the following, which aggregate represents 'National Income'? a) NNPMP                      b) GNPFC                      c) NNPFC d) GNPMP	K1	CO1
	2	Who is the father of macroeconomics? a). Milton Friedman    b). Adam Smith. c). J. M. Keynes.                      d). David Ricardo.	K1	CO1
2	3	In classical theory, which of the following is found in the economy? a) Unemployment                      b) Disguised Unemployment c) Less than full employment d) Full employment	K3	CO2
	4	Keynesian theory of employment is based on the concept of----- a). Aggregate Demand                      b). Aggregate Supply c). Both Aggregate Demand and Supply d). Supply	K3	CO2
3	5	The average propensity to consume is measured by a) C/Y                      b) C=Y                      c) Y/C d) C+Y	K4	CO3
	6	In the simple Keynesian model consumption is a function of, a) Rate of interest.                      b) Level of income. C) Price level.                      d) Investment	K4	CO3
4	7	According to Keynes the most important determinant of investment is a) MEC                      b) Effective demand c) Aggregate demand                      d) Rate of interest	K3	CO4
	8	The accelerator assumes a) The marginal propensity to consume is constant b) The economy is at full employment c) There is a constant relationship between net investment and the rate of change of output d) The multiplier is constant	K3	CO4
5	9	LM curve represents the equilibrium of .....sector. a) Money                      b) Goods                      c) Government d) All of the above	K2	CO5
	10	The lowest point in the business cycle is referred to as the: a) Expansion.                      b) Boom. c) Trough.                      d) Peak.	K2	CO5

Cont...

**SECTION - B (35 Marks)**Answer **ALL** questions**ALL** questions carry **EQUAL** Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Show the various methods of measuring national income	K1	CO1
		(OR)		
	11.b.	List the various difficulties in computation of national income.		
2	12.a.	Develops Say's law of market	K3	CO2
		(OR)		
	12.b.	Identify the determinants of the equilibrium level of effective demand.		
3	13.a.	Analyse Keynes's psychological law of consumption	K4	CO3
		(OR)		
	13.b.	Examine the permanent income hypothesis		
4	14.a.	Organise the types of investment?	K3	CO4
		(OR)		
	14.b.	Build the concept of marginal efficiency of capital.		
5	15.a.	Explain the causes of trade cycle	K2	CO5
		(OR)		
	15.b.	Illustrate an IS and LM curve. Give their properties		

**SECTION -C (30 Marks)**Answer **ANY THREE** questions**ALL** questions carry **EQUAL** Marks

(3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	Find the nature and scope of macro economics	K1	CO1
2	17	Develop the Keynesian theory of employment and output	K3	CO2
3	18	Inspect the various factors influencing consumption function	K4	CO3
4	19	Make use of the principle of acceleration.	K3	CO4
5	20	Interpret the view that "the trade cycle is purely monetary phenomenon.	K2	CO5

Z-Z-Z

END