

**PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)**

**BA DEGREE EXAMINATION MAY 2025
(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	Macro economics is coined by a) J M Keynes b) R F Khan c) D. Ricardo d) Hicks	K1	CO1
	2	The study on aggregate economy is known as a) Micro economics b) Macro economics c) Fiscal economics d) Monetary economics	K2	CO5
2	3	The Supply creates its own demand is propounded by a) Malthus b) Marshall c) J B Say d) Keyes	K1	CO1
	4	An Effective demand represents the total money spent on a) Consumption and investment b) Saving and investment c) consumption and saving d) consumption, investment and saving	K2	CO5
3	5	When the income increases, consumption _____ a) Increases b) Decreases c) neutral d) None of these	K1	CO1
	6	The Permanent income hypothesis is stated by a) Pigou b) Keynes c) Schumpeter d) Ricardo	K2	CO5
4	7	Which model has mechanical concepts of multiplier and accelerator? a) Samuelson model b) Hicksian model c) Kaldor model d) goodWin model	K1	CO1
	8	The relationship between changes in output and changes in investment I s a) multiplier b) super multiplier c) acceleration d) All of these.	K2	CO5
5	9	There are four phases of a business cycle. Identify the correct sequence of the occurrence of these phases : a) Recovery, Recession, Expansion, Depression b) Recovery, Expansion, Depression, Recession c) Depression, Expansion, Recession, Recovery d) Recovery, Expansion, Recession, Depression	K1	CO1
	10	8.LM schedule reflects the equilibrium of the a) Product market b) money market c) capital market d) All of these	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.	Explain the scope of macro economics.	K4	CO3
	(OR)			
	11.b.	Write a short notes on a. GNP b. NNP		
2	12.a.	Discuss the Say's law of market.	K3	CO2
	(OR)			
	12.b.	Account for Pigou's theory on wages and employment		
3	13.a.	Explain the Average propensity to consume and the marginal propensity to consume.	K3	CO2
	(OR)			
	13.b.	State the Keynesian psychological law of consumption.		
4	14.a.	Bring out the factors affecting investment.	K4	CO3
	(OR)			
	14.b.	Write a note on acceleration principle.		
5	15.a.	Account for the Hayek's theory of trade cycle.	K2	CO5
	(OR)			
	15.b.	What are the causes for trade cycle?		

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	Elucidate the various methods of estimating national income.	K4	CO3
2	17	Examine the Keynisan theory of employment and output.	K4	CO3
3	18	Discuss the life cycle hypothesis in consumption theory.	K4	CO3
4	19	Elaborate the interaction of multiplier and accelerator.	K4	CO3
5	20	Analyse the derivation of product market and money market function in general equilibrium analysis.	K4	CO3

Z-Z-Z

END