

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

**BA DEGREE EXAMINATION DECEMBER 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**

$$(10 \times 1 = 10)$$

Cont..

**SECTION - B (35 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks  $(5 \times 7 = 35)$ 

Module No.	Question No.	Question	K Level	CO
1	11.a.	Explain the nature of Macroeconomics.  (OR)	K2	CO2
	11.b.	Summarize the problems involved in the measurement of national income.		
2	12.a.	Identify the Say's Law of Market with assumptions.  (OR)	K3	CO3
	12.b.	Explain Pigou's theory of wages and employment.		
3	13.a.	Identify the main factors influencing the consumption function.  (OR)	K3	CO3
	13.b.	Apply the absolute income hypothesis to explain variations in consumption.		
4	14.a.	Classify the types of investment.  (OR)	K4	CO4
	14.b.	Examine the factors affecting investment decisions.		
5	15.a.	List the main causes of trade cycles.  (OR)	K4	CO4
	15.b.	Analyze the process of deriving the IS curve.		

**SECTION - C (30 Marks)**

Answer ANY THREE questions

ALL questions carry EQUAL Marks  $(3 \times 10 = 30)$ 

Module No.	Question No.	Question	K Level	CO
1	16	Examine the importance of national income analysis.	K4	CO4
2	17	Analyze the Classical theory of employment and output.	K4	CO4
3	18	Critically evaluate Keynes's psychological law of consumption.	K5	CO5
4	19	Explain the effects of multiplier in underdeveloped economies.	K5	CO5
5	20	Discuss the working of Hawtrey's monetary theory of trade cycle.	K6	CO6