Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_



**End Semester Examination – Nov / Dec – 2019**

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| **Code : 17BC2006** |  | **Duration :** | **3hrs** |
| **Sub. Name : MACRO ECONOMICS** |  | **Max. Marks** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | **Marks** |
| 1. | a. | Elucidate the nature and scope of macro economics with suitable examples. | CO1 | 10 |
| b. | State the importance of macro economics and how does it contribute to the understanding of the economic issues of our country. | CO1 | 10 |
| (OR) | | | | |
| 2. | a. | Illustrate and explain the circular flow of income. | CO1 | 5 |
| b. | State the significance of National Income. | CO1 | 5 |
| c. | Discuss any two methods used for computing the National income and also critically examine the shortcomings of each one of these methods discussed by you. | CO1 | 10 |
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| 3. | a. | Examine any two concepts related to National income. | CO2 | 5 |
| b. | Write a short note on Gross Domestic Product. | CO2 | 5 |
| c. | Distinguish between Classical theory and Keynesian theory of employment. | CO2 | 10 |
| (OR) | | | | |
| 4. | a. | Explain any three types of unemployment and also examine the current status of employment in India. | CO3 | 10 |
| b. | Elucidate the Say’s law of Market. Can we apply its assumptions today? | CO3 | 10 |
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| 5. | a. | Elaborate on the factors responsible of unemployment and also state the solutions to reduce unemployment in India. | CO3 | 10 |
| b. | Explain the following concepts quoting suitable example.  i) General equilibrium ii) Partial equilibrium iii) Wage Policy. | CO3 | 10 |
| (OR) | | | | |
| 6. | a. | Illustrate the basic circular model of consumption. | CO4 | 5 |
| b. | Discuss the following i) Consumption function ii) Marginal Propensity to Consume (MPC). | CO4 | 15 |
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| 7. | a. | Examine the significance of the following  i) Multiplier ii) Accelerator. | CO5 | 10 |
| b. | Discuss in detail the term investment in the economic sense and also provide the graphs for the various investment types. | CO5 | 10 |
| (OR) | | | | |
| 8. | a. | Discuss the loan preference theory of interest rate and its applications. | CO5 | 10 |
| b. | Give a detailed note on i) IS and LM function and ii) Shifting of the IS function. | CO6 | 10 |
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|  | | **Compulsory**: |  |  |
| 9. | a. | Summarize the objectives of Fiscal Policy and examine the fiscal instrument and target variables. | CO6 | 10 |
| b. | Elucidate the major instruments of Monetary Policy in India. | CO6 | 10 |