

**BACHELOR'S DEGREE (C.B.C.S) EXAMINATION, MARCH 2025**  
**2018, 2019, 2020, 2021, 2022 ADMISSIONS SUPPLEMENTARY**  
**SEMESTER IV - CORE COURSE (ECONOMICS )**  
**EC4B05B18 - Macro Economics – I**

**Time : 3 Hours****Maximum Marks : 80****Part A****I. Answer any Ten questions. Each question carries 2 marks****(10x2=20)**

1. What is operating surplus?
2. What is paradox of thrift?
3. Write Marshall equation of quantity theory of money.
4. Write Fisher's equation of exchange.
5. Define ASF.
6. Differentiate between APC and APS.
7. What do you mean by induced investment? Discuss the determinants of induced investment.
8. Define investment.
9. What is Net Investment?
10. Define Foreign Trade Multiplier.
11. What are the factors determining the slope of LM curve?
12. Explain factors that shifting LM curve.

**Part B****II. Answer any Six questions. Each question carries 5 marks****(6x5=30)**

13. Explain Net Economic Welfare.
14. Explain social accounting method.
15. "Supply creates its own demand". Discuss.
16. What are the implications of Say's law of market.
17. Distinguish between Short-run and long run consumption function.
18. Distinguish between MEC and MEI.
19. Explain balanced budget multiplier.
20. "The higher the MPC, the higher will be the value of the multiplier." Comment.
21. Derive LM curve.

**Part C****III. Answer any Two questions. Each question carries 15 marks****(2x15=30)**

22. Discuss value added method of measuring NI and its precautions.
23. Elaborate Classical theory of income, output and employment determination.
24. Summarize Keynesian theory of income, output and employment determination.
25. Explain with diagram and equations the Keynesian Cross analysis in a two-sector economy.