Reg. No :...........................

Name :.............................

BACHELOR'S DEGREE EXAMINATION, OCTOBER 2025
2024 ADMISSIONS REGULAR
SEMESTER III - MAJOR (ECONOMICS)
EC3DSCA02B24 - Macroeconomics - I

Time : 1.5 Hours

Maximum Marks : 50

Part A

Answer all questions. Each question carries 1 mark.   (1x10=10)

1. Explain Classical dichotomy.   [CO1,Understand]

2. Explain Pigou effect.   [CO1,Understand]

3. Explain money illusion.   [CO1,Understand]

4. Explain Ricardian Equivalance theorem.   [CO2,Apply]

5. State the relationship between MPC&MPS.   [CO2,Remember]

6. Define MPC.In the consumption function equation C=a+bY,a=100,b=0.5.When Y increases from 100 to 200,MPC will be........?   [CO2,Remember]

7. Define permanent income.   [CO3,Apply]

8. Discuss Relative income hypothesis.   [CO3,Understand]

9. Write Kuznet consumption puzzle.   [CO3,Apply]

10. Define money multiplier.   [CO4,Understand]

Part B

Answer any 2 questions from the bunch of CO1. Each question carries 5 mark.   (5x2=10)

11. Distinguish between pigou effect and Keynes' effect.   [CO1,Understand]

12. "Supply creates its own demand". Discuss.   [CO1,Understand]

13. Explain how interest rate is determined according to classical economist?   [CO1,Understand]

Part B

Answer any 2 questions from the bunch of CO2. Each question carries 5 mark.   (5x2=10)

14. Discuss how equilibrium level of income and employment is determined in Keynesian four sector model.
                                                                      [CO2,Understand]

15. Define ADF and ASF.   [CO2,Remember]

16. Write how equilibrium level of income and employment is determined in Keynesian two sector model.
                                                                      [CO2,Apply]

Part B

Answer any 2 questions from the bunch of CO3. Each question carries 5 mark.   (5x2=10)

17. Discuss relative income hypothesis.   [CO3,Understand]

18. Distinguish between MEC and MEI.   [CO3,Analyse]

19. Summarize Friedman's PIH.   [CO3,Understand]

Part C

Answer any 1 question from the bunch of CO4. Each question carries 10 mark.   (10x1=10)

20. Examine the control measures adopted in India to contain inflation.   [CO4,Apply]

21. Discuss the concept of multiplier and its role in the theory of income and employment.   [CO4,Understand]