

**Avinashilingam Institute for Home Science and Higher Education for Women  
(Deemed to be University) Coimbatore -641 043  
Bachelors Degree Examination – November 2018**

**I Semester**

**Class: I UG**

**Time: 3 Hours**

**Major : Economics**

**Max.Marks: 100**

**18BECC02-Macro Economics - I**

**Choose the correct answer**

**10\*1=10**

1. Who has used to term micro and macro in economics in 1933
  - a) Ragnerfrisch.
  - b) Dalton
  - c) Marshall
  - d) Keynes
- 2) Father of Macro Economics is
  - a) Pareto
  - b) Say
  - c) Mill
  - d) Keynes
- 3) The national income is equal to
  - a) NNP-Subsides-taxes
  - b) GNP
  - C) NNP-Direct taxes+ subsidies
  - d) All of these
- 4) Which of the following state in India currently has the highest per capita income
  - a) Goa
  - b) Delhi
  - c) Maharashtra
  - d) Punjab
- 5) In the classical, the shape of supply curve
  - a) Vertical
  - b) Horizontal
  - c) Upward
  - d) Downward
- 6) J.B say is a
  - a) French economist
  - b) American economist
  - c) Jappan economist
  - d) Russian economist
- 7) Keynesian general theory was published in the year
  - a) 1928
  - b) 1936
  - c) 1930
  - d) 1928
- 8) The starting point of Keynes theory of employment is the principle of
  - a) Effective demand
  - b) Full employment
  - c) Unemployment
  - d) Aggregate demand
- 9) The relationship between disposable income and consumption is called
  - a) Permanent income
  - b) Temporary income
  - c) Production function
  - d) Consumption function
- 10) Identify the Keynes law of consumption
  - a) Psychological law of consumption
  - b) consumption function
  - c) MPC
  - d) APC

**Part B**  
**Answer the following**  
**Answer should not exceed 400 words or two pages**

**5 X 6=30**

- 11 a. Explain the scope of Macroeconomics  
( or)
- 11.b. Examine the importance of the Macro economics
- 12.a. Analyze the problems of measurement of national income in a developing economy?  
( Or)
- 12.b. Write the significance of circular flow of income  
(or)
- 13.a. Explain the assumptions of the classical theory of output and employment.  
(or)
13. b. Illustrate the classical outlook about wage-price flexibility and full employment.
14. a. Explain Aggregate supply function  
(or)
14. b . Explain the importance of effective demand.
- 15.a. Assess the implications of the consumption function.  
(or)
- 15.b . Explain the relationship between MPC and APC

**Part C**  
**Answer the following**  
**Answer should not exceed 800 words or four pages**

**5 x 12=60**

- 16 a. Discuss the key difference between micro and macroeconomics.  
(or)
16. b. Analyze the key economic variables.
- 17 a. Examine the concepts of national income.  
(or)
17. b. Explain the relationship between economic welfare and national income.
- 18 a. Illustrate the J.B.say's Theory  
(or)
- 18.b . Describe the Keynes criticism against classical theory.
- 19 a. What do you mean by effective demand? How is it determined?  
(or)
19. b. Assess the difference between demand and effective demand.
- 20 a. What are the factors determining consumption.  
(or)
20. b. How to raise the propensity to consume?

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