



## Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with 'A+' Grade by NAAC. Recognised by UGC Under Section 12B

Coimbatore - 641 043, Tamil Nadu, India

### Bachelor's Degree Examination – June / July 2021

#### II Semester

Class : I UG

Major : Commerce / B.Com C.A / B.Com P.A

Time : 3 Hours

Max. Marks : 100

#### 18BIED02 Macro Economics

##### Part A

10 x 1 = 10

##### Choose the Correct Answer

1. Which of the following is not a part of macroeconomics? CO1 K3
  - a. Income
  - b. Price
  - c. Economic welfare
  - d. Economic growth
2. Micro and macro economics are CO1 K4
  - a. interdependent
  - b. independent
  - c. individual
  - d. all the above
3. NNP is equal to GNP minus CO2 K3
  - a. depreciation
  - b. subsidies
  - c. indirect tax
  - d. profits
4. Personal income includes CO2 K4
  - a. taxes
  - b. profit
  - c. transfer payments
  - d. indirect tax
5. 1 minus C/Y means CO3 K4
  - a. APC
  - b. APS
  - c. MPC
  - d. MPS
6. Leakages of multiplier are CO3 K5
  - a. saving
  - b. imports
  - c. inflation
  - d. all the above
7. Money supply means total stock of \_\_\_\_\_ in circulation. CO4 K2
  - a. money
  - b. reserve
  - c. credit
  - d. coins
8. \_\_\_\_\_ creates demand pull inflation. CO4 K5
  - a. Income
  - b. Debt
  - c. Savings
  - d. None of the above
9. Fiscal instruments include CO5 K2
  - a. public debt
  - b. public expenditure
  - c. taxation
  - d. all the above
10. Business cycle is a \_\_\_\_\_ like movement. CO5 K4
  - a. wave
  - b. round
  - c. rectangle
  - d. zero

**Part B**  
**Answer ALL questions**  
**Each answer should not exceed 400 words or two pages**

**5 x 6 = 30**

- |   |        |
|---|--------|
| 11.a. What are the limitations of macroeconomics?<br>(or)                     | CO1 K2 |
| 11.b. Point out the importance of macro economics.                            | CO1 K4 |
| 12.a. Distinguish between GNP at market price and GNP at factor cost.<br>(or) | CO2 K3 |
| 12.b. Explain the usefulness of national income data.                         | CO2 K4 |
| 13.a. What are the determinants of investment?<br>(or)                        | CO3 K3 |
| 13.b. Explain the importance of multiplier.                                   | CO3 K4 |
| 14.a. What are the effects of inflation?<br>(or)                              | CO4 K4 |
| 14.b. Point out the functions of money.                                       | CO4 K3 |
| 15.a. What are the objectives of monetary policy?<br>(or)                     | CO5 K3 |
| 15.b. What are the measures to control trade cycle?                           | CO5 K2 |

**Part C**  
**Answer ALL questions**  
**Each answer should not exceed 800 words or four pages**

**5 x 12 = 60**

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|---|--------|
| 16.a. Examine in brief the leakages and injections in circular flow of income.<br>(or)        | CO1 K3 |
| 16.b. Describe the circular flow of income in a four sector economy.                          | CO1 K4 |
| 17.a. Explain the various methods to calculate national income.<br>(or)                       | CO2 K3 |
| 17.b. Analyse the factors that determine national income.                                     | CO2 K2 |
| 18.a. Critically examine Say's law of markets.<br>(or)  | CO3 K4 |
| 18.b. Analyse the Keynes's psychological law of consumption.                                  | CO3 K3 |
| 19.a. Discuss Friedman's approach to the demand for money.<br>(or)                            | CO4 K5 |
| 19.b. Explain in detail the measures of money supply.   | CO4 K2 |
| 20.a. Explain the objectives of monetary policy and its role in economic development.<br>(or) | CO5 K4 |
| 20.b. How to obtain the equilibrium of the economy using IS-LM Curve?                         | CO5 K3 |

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