

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FOURTH SEMESTER – APRIL 2010

EC 4503/EC 4500 - MACRO ECONOMICS - I

Date & Time: 21/04/2010 / 9:00 - 12:00 Dept. No.

Max. : 100 Marks

PART – A

Answer any **FIVE** questions in about **75 words** each:

(5 x 4 = 20 Marks)

1. Explain 'Macro Dynamics'.
2. Briefly discuss the limitations of Macro economics.
3. Define Gross National Product at Factor Cost.
4. State the significance of the concept of circular flow of income.
5. Define 'Aggregate Supply Price'.
6. State the significance of Marginal Propensity to Consume.
7. Define Marginal Efficiency of Capital.
8. Explain Period Multiplier.

PART – B

Answer any **FOUR** questions in about **250 words** each

(4 X 10 = 40 Marks)

9. Distinguish between static and comparative static in economic analysis.
10. Discuss the factors to be considered while calculating Gross National Product.
11. Examine the circular flow of income in a Three Sector Economy with diagrammatic representation.
12. What are the factors determining effective demands?
13. What are the subjective and objective factors determining consumption function?
14. Examine the role of interest rate in income determination.

PART – C

Answer any **TWO** questions in about **900 words** each

(2 X 20 = 40 Marks)

15. Discuss the difficulties in the Computations of National Income.
16. Critically examine the superiority of Keynes' model of income determination over that of Classical Theory.
17. What is 'investment multiplying'? Examine the role of the same in the theory of income and employment.
18. Derive IS-LM functions and analyse the effects of simultaneous shifts in IS-LM Curves.

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