



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FOURTH SEMESTER – APRIL 2013

EC 4503/EC 4500 - MACRO ECONOMICS - I

Date: 02/05/2013
Time: 1:00 - 4:00

Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE questions in about 75 words each:

(5 x 4 = 20 Marks)

1. Define Comparative statics.
2. Differentiate between time series and cross section data.
3. What is Disposable income?
4. Explain circular flow of income in a two sector economy.
5. What is Aggregate Supply Price?
6. Explain Effective demand.
7. Define Multiplier.
8. Explain Autonomous investment.

PART – B

Answer any FOUR questions in about 250 words each:

(4 X 10 = 40 Marks)

9. Distinguish between static and comparative static.
10. Explain 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. How Effective Demand is determined? Explain.
13. What are the subjective and objective factors that determine consumption function? Explain.
14. Examine money market equilibrium.

PART – C

Answer any TWO questions in about 900 words each:

(2 X 20 = 40 Marks)

15. Examine the difficulties in the measurement of National Income.
16. Critically evaluate the superiority of Keynes' model of income determination over that of Classical Theory.
17. Analyse the concept the investment multiplier and its role in the theory of income and employment.
18. Derive IS-LM curve and analyse the effects of simultaneous shifts in IS-LM functions.

\$\$\$\$\$\$