

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**



**B.A. DEGREE EXAMINATION – ECONOMICS**

**FOURTH SEMESTER – APRIL 2016**

**EC 4503/EC 4500 – MACRO ECONOMICS - I**

Date: 20-04-2016

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

**PART-A**

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

**(5 × 4 = 20 Marks)**

1. Distinguish between functional relationship and parameters.
2. Differentiate between ex-ante and ex-post variable.
3. State the injections and leakages in the circular flow of income.
4. List out the main assumptions of classical theory of employment.
5. Distinguish between MPC and MPS.
6. What is MEC?
7. Account the reason for IS curve shifting.

**PART-B**

**Answer any FOUR Questions in about 250 words each:**

**(4 × 10 = 40 Marks)**

8. Explain the scope and importance of macro economics.
9. Elucidate the problems involved in the estimation of national income.
10. What is meant by social accounting? Examine the significance of social accounting for economic analysis and policy.
11. 'Supply creates its own demand' – Critically examine this statement.
12. What are the objective factors determining consumption function?
13. Bring out the Keynesian liquidity theory of interest.
14. Enumerate the effectiveness of fiscal policy in terms of the IS and LM functions.

**PART-C**

**Answer any TWO Questions in about 900 words each:**

**(2 × 20 = 40 Marks)**

15. Describe the circular flow of income in a complete four sector system.
16. Analyse the classical theory of employment. On what grounds Keynes criticizes it?
17. The aggregate demand and aggregate supply determine equilibrium output and employment. - discuss.
18. Discuss about the general equilibrium with IS – LM model.

**\$\$\$\$\$\$**