

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.A.DEGREE EXAMINATION –ECONOMICS

FOURTH SEMESTER – APRIL 2018

16UEC4MC01– MACRO ECONOMICS - I

Date: 20-04-2018

Dept. No.

Max. : 100 Marks

Time: 09:00-12:00

PART-A

Answer any FIVE Questions in about 75 words each: (5 × 4 = 20Marks)

1. Differentiate between stock and flow variables.
2. Distinguish between ex-ante and ex-post variable.
3. Distinguish between GDP and GNP.
4. Explain the term social accounting.
5. Write a note on Say's law.
6. State the acceleration principle.
7. What are the essential elements of Friedman's reformulation of quantity theory of money?

PART-B

Answer any FOUR Questions in about 250 words each: (4 × 10 = 40 Marks)

8. Evaluate the scope and importance of macro economics.
9. Elucidate the various concepts of national income accounting and bring out their inter-relationship.
10. Enumerate the classical theory of income and employment.
11. Examine the principle of effective demand.
12. What are the essentials of life cycle theory?
13. Bring out the working of multiplier.
14. Explain clearly the concept of liquidity trap. What are the factors leading to this state? What are its implications for economic policy?

PART-C

Answer any TWO Questions in about 900 words each: (2 × 20 = 40 Marks)

15. Analyse the circular flow of income and expenditure under four sector model.
16. Define national income and examine various methods of computing national income along with its limitations.
17. Illustrate critically permanent income hypothesis.
18. Discuss the portfolio selection approach to the speculative demand for money. How is it superior to Keynesian liquidity preference approach?
