



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

**B.A. DEGREE EXAMINATION – ECONOMICS**  
**FIFTHOURTH SEMESTER – NOVEMBER 2011**  
**EC 55044500 - MACRO ECONOMICS - II**

Date : 31-10-2011  
Time : 9:00 - 12:00

Dept. No.

Max. : 100 Marks

**Part – A**

**Answer any 5 questions.**

**(5 x 4 = 20)**

1. List out the importance of macroeconomics.
2. What is circular flow of income and expenditure? Illustrate leakages and injections of three sector model.
3. What are the assumptions of classical theory of output and employment?
4. Define consumption function. Bring out the properties of consumption function.
5. What is general equilibrium? Give the meaning of IS-LM.
6. What are the assumptions of acceleration principle?
7. Define inflation. What are the types of inflation?

**Part – B**

**Answer any 4 questions.**

**(4 x 10 =40)**

8. Discuss the following concepts with illustration.  
a) Macro Statics                      b) Macro Dynamic
9. What are the difficulties in the measurement of national income?
10. What are the measures to raise the propensity to consume?
11. Discuss the monetarist view of demand pull inflation.
12. Describe the following concepts.  
a) Autonomous Investment   b) Induced Investment   c) Average Propensity to Consume  
d) Marginal Propensity to Consume   e) Marginal Efficiency of Capital
13. Discuss Hicksian model of trade cycle.
14. Briefly discuss the Kaldor model of distribution.

**Part – C**

**Answer any 2 questions.**

**(2 x 20 = 40)**

15. Discuss Harrod-Domar growth model
16. Define national income. Discuss the concepts of national income.
17. Discuss the concept of IS-LM model with illustration.
18. Explain the subjective and objective factors of consumption function.

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