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Reg. No. : .....

Name : .....

**Third Semester B.A. Degree Examination, February 2024**

**First Degree Programme under CBCSS**

**Economics**

**Core Course – III**

**EC 1341 – INTRODUCTORY MACROECONOMICS**

**(2019 Admission Onwards)**

Time : 3 Hours

Max. Marks : 80

**SECTION – I**

Answer all questions. Each question carries 1 mark.

1. Economic growth
2. IS curve
3. Cash reserve ratio
4. Macroeconomics
5. MPC
6. Tax multiplier
7. Frictional unemployment
8. Discount rate
9. Aggregate expenditure
10. Investment.

**(10 × 1 = 10 Marks)**

P.T.O.



## SECTION — II

Answer **any eight** questions not exceeding **one** paragraph. Each question carries **2** marks.

11. Explain GDP deflator.
12. What do you mean by money market?
13. Explain business cycle.
14. Why does LM curve is upward slopping?
15. What do you mean by effective demand?
16. Explain consumer price index.
17. Explain investment multiplier.
18. List out selective credit controls.
19. Write a short note on fiscal multiplier.
20. Distinguish between GDP and GNP.
21. Explain demand pull inflation.
22. Write a short note on consumption function.

(8 × 2 = 16 Marks)

## SECTION – III

Answer **any six** questions not exceeding **120** words. Each question carries **4** marks.

23. Explain Keynesian three sector model of income determination.
24. Write a note on fiscal policy.
25. Distinguish between crowding out and crowding in effect.



26. Explain foreign trade multiplier.
27. Write a note on different types of unemployment.
28. Explain the principal-agent problem in the relationship between lenders and borrowers.
29. Describe the components and significance of a bank's balance sheets.
30. Elucidate the instruments of monetary policy.
31. Explain the components of GDP.

**(6 × 4 = 24 Marks)**

#### SECTION – IV (Essay)

Answer **any two** questions. Each question carries **15** marks.

32. Discuss the Keynesian Consumption function. Bring out the factors influencing consumption expenditure.
33. Explain the nature and scope of Macroeconomics.
34. Explain Liquidity preference theory of interest.
35. Examine the IS-LM model and provide a comprehensive overview.

**(2 × 15 = 30 Marks)**