

St. Clare College

Autonomous, Bengaluru

UG END SEMESTER EXAMINATION-MAY 2025

¹²
BA/BSC ECONOMICS II SEMESTER

EC 224: MACRO ECONOMICS

TIME: 3 hours.

MAX. MARKS: 80

This paper contains TWO printed pages and FOUR parts

Instructions:

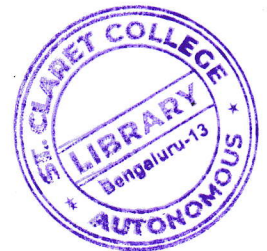
1. Verify and ensure that the question paper is completely printed.
2. Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.
3. Students must check the course title and course code before answering the questions.

PART-A

Answer all the questions. Each answer carries ONE mark.

10x 1 = 10

1. $GNP = \dots\dots\dots + \text{Net factor income from abroad.}$
A) NNP B) NDP C) GDP D) Personal income
2. Say's Law of Market states that
A) Demand creates its own supply B) Supply creates its own demand
C) Price determines demand D) Wages determine supply
3. Aggregate supply is equal to
A) $C + I + G$ B) $C + S + G + (x-m)$
C) $C + S + T + (x-m)$ D) $C + S + T + R_f$
4. An economic system where the economic activities of a nation are done both by the private and public together is termed as _____.
A) Capitalistic Economy B) Socialistic Economy
C) Globalize Economy D) Mixed Economy
5. MV stands for
A) Demand for money B) Supply of legal tender money
C) Supply of bank money D) Total supply of money



6. The Multiplier is calculated as
A) $1/(1-MPC)$ B) $1/MPS$ C) $1/MPC$ D) a and b
7. Irving Fisher's Quantity Theory of Money was popularized in
A) 1908 B) 1910 C) 1911 D) 1914.
8. Hawtrey's theory of trade cycle emphasizes:
A) Over-Investment B) Monetary Factors
C) Psychological Expectations D) Technological Innovations
9. The RBI Headquarters is located at
A) Delhi B) Chennai C) Mumbai D) Bengaluru
10. Who Propounded Relative Income Hypothesis
A) J M Keynes B) Milton Friedman
C) James Duesenberry D) Franco Modigliani & Albert Ando

PART-B

Answer any FIVE questions. Each answer carries TWO marks.

2 x 5=10

11. Give the meaning of Macro Economics?
12. What is National Income?
13. Give the meaning of Multiplier.
14. What is Money Market?
15. What are the tools of Monetary Policy?
16. What is Inflation?
17. What is Business Cycle?

PART-C

Answer any FOUR questions. Each answer carries FIVE marks.

5 x 4 =20

18. Explain the Circular flow of income in two sector model.
19. Explain J.B. Say's law of market.
20. Explain J.M. Keynes Psychological Law of Consumption.
21. Explain the Functions of Money.
22. Explain the Determinants of Money Supply.
23. Explain the concept of Phillips Curve.

PART-D

Answer any FOUR questions. Each answer carries TEN marks.

10 x 4 =40

24. Discuss the Scope and Importance of Macro Economics.
25. Discuss the difficulties in the measurement of National Income.
26. Analyse the impact of Fiscal and Monetary policies using the IS-LM framework.
27. Briefly explain the Quantity Theory of Money with the help of the diagrams.
28. Explain the different type and causes of Inflation.
29. Briefly explain the different stages of Trade Cycle.