

C 21907

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Name.....

Reg. No.....

SECOND SEMESTER (CUCBCSS—UG) DEGREE EXAMINATION, APRIL 2022

Economics

ECO 1C 01 AND ECO 2C 01—ESSENTIALS OF ECONOMICS - MICRO AND
ESSENTIALS OF ECONOMICS - MACRO

(2016—2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part A*Answer all questions.**Each question carries ½ mark.*

1. Laissez-fair means :
 - a) State mediates economic activities.
 - b) State as a producer and supplier of essential commodities.
 - c) Non-intervention of state in economic activities.
 - d) State regulates prices of inputs and factors of production.
2. Disposable income means :
 - a) Income after tax.
 - b) Income plus direct tax.
 - c) Income after indirect tax.
 - d) Income after income tax.
3. "The General Theory of Employment, Interest and Money" is written by :
 - a) AdamSmith.
 - b) David Ricardo.
 - c) J.M. Keynes.
 - d) Milton Friedman.
4. Net National Product is estimated by after deducting :
 - a) Depreciation from GNP.
 - b) Appreciation from GNP.
 - c) Interest from GNP.
 - d) Factor rewards from GNP.
5. Classical Economics assumes :
 - a) Wage Price rigidity.
 - b) Downward rigidity of Wages and Prices.
 - c) Underemployment equilibrium.
 - d) Full employment.

Turn over

16. What do you mean by wage - Price rigidity ?
17. Explain the concept of effective demand.
18. Explain the full employment concepts of classical economics.
19. What is the national income ?
20. State the wealth definition of economics.
21. What is the law of demand ?
22. Write a note on the importance of studying economics.
23. Explain the relationship of economics with other disciplines of social sciences.
24. Explain the nature of the relationship between MC and AC.

(10 × 2 = 20 marks)

Part C

*Answer any six questions.
Each question carries 5 marks.*

25. Explain the law of supply. What are the determinants of supply ?
26. Explain the importance of estimating national income.
27. Explain the important national income concepts.
28. Distinguish the wage-price flexibility of classical economics and wage-price rigidity of Keynesian economics.
29. What is underemployment equilibrium of Keynesian economics ?
30. Explain the important concepts of National Income.
31. Elucidate the Keynesian criticism on the classical theory of employment.
32. Distinguish between underemployment and full employment equilibrium.

(6 × 5 = 30 marks)

Part D (Essay Questions)

*Answer any two questions.
Each question carries 12 marks.*

33. Explain the major classical macroeconomic postulates.
34. Explain the important Keynesian macroeconomic concepts and policy prescriptions.
35. Explain the short-run and long-run production functions.
36. Explain the various costs functions and the relationship between various costs.

(2 × 12 = 24 marks)