D 142794 **(Pages : 2)** **Name.......................................**

Reg. No...................................

SECOND SEMESTER (CBCSS—UG) DEGREE EXAMINATION APRIL 2026

Economics

ECO 2B 02—MACRO ECONOMICS—I

(2019 Syllabus)

Time : Two Hours and a Half Maximum : 80 Marks

Section A (Short Answer Questions)

Maximum marks in this Section is 25.
Students can attempt **all** *questions.*
Each question carries a maximum of 2 marks.

1. Investment demand.
2. Equation of exchange.
3. Balanced budget multiplier.
4. High powered money.
5. MEI.
6. Inflationary gap and deflationary gap.
7. Expansionary fiscal policy.
8. Static and dynamic equilibrium.
9. GDP and GNP.
10. Legal tender money.
11. Macroeconomic model.
12. Autonomous consumption.
13. Speculative demand for money.
14. Full employment equilibrium.
15. Cash-balance approach.

Turn over

Section B (Short Essay/Paragraph Questions)

Maximum marks in this Section is 35.

Students can attempt **all** *questions.*

Each question carries a maximum of 5 *marks.*

16. Examine the Liquidity Preference theory.

17. Discuss the relationship between bond price and interest rate.

18. *Aggregate demand is the sum of four components*. Explain.

19. Illustrate circular flow of income and expenditure in a three sector economy.

20. Prepare a note on the nature and scope of macroeconomics.

21. Define Keynesian cross. How do fiscal policies affect the economy under the Keynesian cross model ?

22. Prepare a note on various types of macroeconomic variables.

23. *The quantity theory of money states that the quantity of money is the main determinant of the price level or the value of money*. Explain.

Section C (Long Essay Questions)

Answer any **two** *questions.*

Each question carries a maximum of 10 *marks.*

24. Discuss three key assumptions of Classical Economics. Illustrate the Classical model of output and employment.

25. Explain the meaning and functions of money.

26. Explain Keynesian consumption function. Examine the relationship between MPC and multiplier using numerical example.

27. What are the important measures of national income ? Discuss approaches of measuring national income.

(2 × 10 = 20 marks)