LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

**B.A.** DEGREE EXAMINATION – **ECONOMICS**

FOURTH SEMESTER – APRIL 2011

# EC 4503 - MACRO ECONOMICS - I

Date : 07-04-2011 Dept. No. Max. : 100 Marks

Time : 1:00 - 4:00

**PART – A**

**Answer any FIVE questions in about 75 words each: (5 x 4 = 20 Marks)**

1. Explain Comparative statics.
2. Distinguish between time series and cross section data.
3. Define Disposable income.
4. Briefly explain circular flow of income in a two sector economy.
5. State the assumptions of classical theory of employment.
6. Define Effective demand.
7. What is Multiplier?
8. Define Autonomous investment.

**PART – B**

**Answer any FOUR questions in about 250 words each: (4 X 10 = 40 Marks)**

1. Trace the limitations of macro economics.
2. Examine the importance of social accounting.
3. Analyse the Classical theory of employment.
4. How Effective Demand is determined? Explain.
5. Discuss the factors influencing induced investment.
6. Examine money market equilibrium.

**PART – C**

**Answer any TWO questions in about 900 words each: (2 X 20 = 40 Marks)**

1. Discuss the significance of macro economics and differentiate it from micro economics.
2. What is social accounting? Explain its components.
3. Examine the consumption function. What is its importance?
4. Derive IS-LM curve and analyse the general equilibrium of product and money market.

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