Roll No. ....

71102

M. A. Economics 1st Sem.

Examination – December, 2015

MACRO ECONOMICS - I

Paper : P-II

Time : Three Hours] *[Maximum Marks : 80*

Before answering the question, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Attempt *five* questions in all. Question no. 9 is *compulsory*. *One* question from each Unit is necessary. All questions carry equal marks.

UNIT – I

1. Describe the quantity theory of money and its understanding of price-level in an economy. 16

2. Describe import and export functions as well as equilibrium level of income in a four sector open economy Keynesian model of income determination. 16

UNIT – II

3. Describe changes in aggregate demand due to changes in investment and changes in money supply. 16

4. Explain the derivation of IS and LM curves. 16

UNIT – III

5. Describe aggregate demand curve and determination of the equilibrium price and output. 16

6. Explain wage-price flexibility and full employment equilibrium. 16

UNIT – IV

7. Briefly introduce different consumption income hypotheses and describe any one of your preference. 16

8. Explain the accelerator theory of investment. 16

UNIT – V

9. Explain the following in *three* or *four* lines : 2 × 8 = 16

(a) Autonomous and induced investment.

(b) Fundamental Psychological law of consumption.

(c) Temporary and permanent shift in spending.

(d) Fiscal Policy

(e) Government purchase multiplier

(f) Tax multiplier

(g) Foreign trade multiplier

(h) Import function