

Date:3-03-2022

Registration number:

ST. JOSEPH’S COLLEGE (AUTONOMOUS), BENGALURU - 27

B.Sc. ECONOMICS - III SEMESTER

SEMESTER EXAMINATION: OCTOBER 2021

(Examination conducted in March 2022)

**ECS 318 – Macro Economics**

Time - 2 ½ hrs Max Marks - 70

This question paper contains 1 printed page and three parts

**Part A**

**Answer any 10 questions 3\*10 = 30**

1. Differentiate between Micro Economics and Macro Economics.
2. Explain macro economic paradoxes with an example.
3. What are the assumptions of the circular flow model?
4. What are business cycles?
5. Name any 3 types of inflation.
6. Differentiate between Real and Nominal GNP.
7. Briefly explain any two classical postulates.
8. What are the determinants of consumption according to Keynes?
9. Give any 3 Keynesian criticisms of Classical Economics.
10. What is meant by Marginal Efficiency of Capital (MEC)?
11. Explain the implication of the Quantity Theory of Money.
12. What are the motives behind money demand according to Keynes?

**PART B**

**Answer any 2 questions 5\*2 = 10**

1. Explain the Phillips Curve.
2. Differentiate between Keynes and the Classicals.
3. Explain the Harrod Domar Model.

**PART C**

**Answer any 2 questions 15\*2 = 30**

1. Explain the attainment of General Equilibrium within the Keynesian System.
2. In a single day, Raju, a barber, collects Rs. 500 from haircuts. Over this day, his equipment depreciates in value by Rs. 50. Of the remaining Rs. 450, Raju pays sales tax worth Rs. 30, takes home Rs. 200 and retains Rs. 220 for improvement and buying of new equipment. He further pays Rs. 20 as income tax from his income. Based on this information, compute Raju’s contribution to the following measures of income:

a) Gross Domestic Product, b) Gross National Product, c) NNP at market price, d) NNP at factor cost, and e) Personal Disposable Income.

1. Explain and differentiate between Absolute and Relative income Hypotheses.