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THE C.E.S. COLLEGE OF ARTS AND COMMERCE, CUNCOLIM, SALCETE-GOA

S.Y.B.A III SEMESTER END EXAMINATION, OCT / NOV, 2019

SUB: ECONOMICS

PAPER CODE NO: ECC 103

TITLE OF THE PAPER: MACROECONOMICS-I

TIME: 10.00 a.m. To 12.00 noon

DURATION: 2 HOURS

DATE: 28/10/2019

MAXIMUM MARKS: 80

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**Instructions:**

1. All questions are compulsory, however internal choice is available.
  2. Answer sub questions in Q.1 and Q.2 in not more than 100 words.
  3. Answer questions in Q.3 to Q.4 in not more than 400 words.
  4. Figures to the right indicate full marks.
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**Q.1. Answer any FOUR of the following.**

**(4x4=16)**

- a). Define the concept of economic system.
- b). Explain the importance of macroeconomics.
- c). Explain in brief any two macroeconomic issues faced by modern economies.
- d). What is average propensity to consume? Explain.
- e). Write the importance of multiplier.
- f). Write four limitations of GDP estimation.

**Q.2. Answer any FOUR of the following.**

**(4x4=16)**

- a). Explain the importance of open economy.
- b). Explain the concept of net export function.
- c). What is meant by near money?
- d). write a note on the concept of demand for money.
- e). Write any four criticisms of quantity theory of money.
- f). Explain the importance of Foreign trade.

**Q.3. A) Answer the following.**

**(12)**

- 1) Distinguish between stock and flow variables in Macroeconomics and give suitable examples.
- 2) Define and distinguish between the endogenous and exogenous variables.

OR

**B) Distinguish between GDP and GNP and write the importance of these aggregates.**

**(12)**

Q.4. A) Write a note on the following.

(12)

1) Autonomous Investment

2) Induced Investment

OR

B) Define the consumption function and explain the factors affecting consumption function. (12)

Q.5. A) Define Fiscal Policy and write its objectives as framed in modern macroeconomic System.

(12)

OR

B) Explain the working of three sector model in a modern macro economy with suitable figure.

Q.6. A) State and explain the liquidity preference theory of interest.

(12)

OR

B) Define Monetary Policy and write its instruments implemented in modern Economic System.

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