



ST JOSEPH'S UNIVERSITY, BENGALURU -27
B.Sc. Economics – II SEMESTER
SEMESTER EXAMINATION: APRIL 2024
 (Examination conducted in May / June 2024)
ECS 2121: Macroeconomics

(For current batch students only)

Time: 2 Hours

Max Marks: 60

This paper contains two printed pages and three parts

PART-A

I. ANSWER ANY 10 OF THE FOLLOWING .

3X10=30

- 1) What is the nature of Macroeconomics ?
- 2) Identify the key flows of money and goods in the two-sector circular flow model.
- 3) What is Aggregate supply price ?
- 4) Define Net National Product (NNP). How does it account for depreciation in the economy?
- 5) Is GNP a satisfactory measure of economic welfare ? Comment.
- 6) State Say's Law of market.
- 7) What are the key assumptions of classical economists ?
- 8) According to Life cycle hypothesis, at what stage a person's savings typically peaks and why ?
- 9) Explain the terms marginal propensity to consume (MPC) and marginal propensity to save (MPS).
- 10) What is the effect of a business cycle's recession phase on small businesses ?
- 11) What are Cash Reserve Ratios ?
- 12) What is the main principle of supply-side economics?

PART-B

II. ANSWER ANY 3 OF THE FOLLOWING .

5X3=15

- 13) Examine the role of factor payments in the income method. How does the inclusion of wages, rents, profits, and taxes influence the accuracy of national income calculations?
- 14) According to the Classical economists, how does wage flexibility contribute to achieving full employment in the long run?
- 15) "The logical starting point of effective demand is the heart of modern macro-economic analysis". Elaborate.
- 16) Explain the reasons for the negative slope of IS curve and the positive slope of the LM curve in the IS-LM model.
- 17) What is meant by Laffer curve? What are its policy implications ?

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PART - C

III. ANSWER ANY 1 OF THE FOLLOWING .

15X1=15

18) Discuss the interplay between the Multiplier and the Accelerator .

19) Distinguish between total credit control and selective credit control measures of monetary policy. Under what conditions are the qualitative controls preferred over quantitative control ?