



Register Number:

Date: 09-01-2021

ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27
MA Economics - I SEMESTER
SEMESTER EXAMINATION: December 2020
EC7318: MACROECONOMIC THEORY

Time- 2 1/2 hrs

Max Marks-70

This paper contains 1 printed page and three parts

SECTION A: Answer any FIVE

(5x2=10)

1. What is an inter-temporal budget constraint?
2. Define national income.
3. What is GDP deflator?
4. Mention any two characteristics of classical school of thought.
5. What is balanced budget multiplier?
6. Define internal rate of return.
7. What are the three conditions for equilibrium in Keynesian model?

SECTION B: Answer any THREE

(3x10=30)

8. Briefly explain the circular flow of income for a five sector model.
9. Write a note on Classical theory of employment and output determination.
10. Explain how a change in autonomous investment affects equilibrium income in a simple Keynesian model.
11. Write a note on Life Cycle Hypothesis of consumption.
12. Briefly explain the search and matching model.

SECTION C: Answer any TWO

(2x15=30)

13. Briefly explain the different methods of calculating national income along with precautions to be taken.
14. Write a note on how monetary policy affects different slopes of LM curves in the IS-LM framework.
15. Write a note on the real business cycle model.

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