QP CODE: D2BIB2501		**Reg. No**	**:**	**...............................**
		Name	**:**	**...............................**

SECOND SEMESTER FYUGP EXAMINATION, APRIL 2026

(Regular/Improvement/Supplementary)

Discipline Specific Core (DSC) Courses - Major

BIB2CJ101 : Principles of Macro Economics

(Credits: 4)

Time: 2 Hours	**Maximum Marks: 70**

Section A. Answer the following questions. Each carries 3 marks (Ceiling: 24 marks)

1.	What is real flow and money flow in circular flow of income?	BL1	CO1, CO5
2.	Name the four components of GDP.	BL1	CO1, CO5
3.	What is structural unemployment? Provide an example.	BL2	CO2, CO5
4.	Define the equilibrium interest rate in the classical system.	BL1	CO2, CO5
5.	Define Ex-ante and Ex-post Investment. ?	BL2	CO2, CO5
6.	What is the Multiplier Effect? Given an example.	BL1	CO2, CO5
7.	What happened if LM shift to the right in the IS LM model?	BL2	CO3, CO5
8.	What is Phillips Curve?	BL1	CO4, CO5
9.	List the main components included in the basket of goods and services for CPI calculation?	BL1	CO1, CO5
10.	What is the classical view on unemployment?	BL1	CO2, CO5

Section B. Answer the following questions. Each carries 6 marks (Ceiling: 36 Marks)

11.	What are the difficulties in the measurement of National Income?	BL4	CO1, CO5
12.	Discuss the significance of national income accounting and its limitations.	BL5	CO1, CO5
13.	How do government policies help in reducing unemployment?	BL3	CO2, CO5
14.	How does wage-price flexibility contribute to full employment in classical economics?	BL4	CO2, CO5
15.	Explain the Keynesian theory of liquidity preference and its impact on interest rates.	BL4	CO2, CO5
16.	Assume C = 100 + 0.5 Yd Where MPC or b is 0.5. Prepare a Consumption and Saving schedule.	BL6	CO2, CO5
17.	Explain the shifts in the IS curve due to changes in fiscal policy. (government spending and taxation).	BL4	CO3, CO5
18.	Describe the derivation of the LM curve with the help of a diagram.	BL4	CO3, CO5

Section C. Answer any one question. Each carries 10 marks (1 x 10 = 10 Marks)

19.	Critically examine Keynesian income determination with graphical and algebraic illustrations.	BL5	CO2, CO5
20.	Examine the impact of monetary and fiscal policy in IS-LM. Examine crowding with the aid of graph and show its implications.	BL5	CO3, CO5

CO : Course Outcome **BL : Bloom's Taxonomy Levels** (1 – Remember, 2 – Understand, 3 – Apply, 4 – Analyse, 5 – Evaluate, 6 – Create)