

THIRD SEMESTER B.Sc. DEGREE EXAMINATION, NOVEMBER 2023**(Regular/Improvement/Supplementary)****ECONOMICS & MATHEMATICS (DOUBLE MAIN)****GDEC3A01T: MACROECONOMICS I****Time: 2 ½ Hours****Maximum Marks: 80****SECTION A: Answer the following questions. Each carries *two* marks.****(Ceiling 25 Marks)**

1. Distinguish between Nominal GDP and Real GDP.
2. What are the views of the classical school regarding full employment?
3. State Say's Law. Discuss in brief.
4. Comment on investment multiplier.
5. Distinguish between gross investment and net investment.
6. What is Solow's possible growth pattern?
7. Write a short note on Fisher's transactions approach to money.
8. What is Stagflation?
9. Is the transactions demand for money interest elastic? Explain.
10. What is NAIRU?
11. Why does the LM curve slope upward? Explain.
12. Give an account on crowding out.
13. Discuss the effects of an adverse supply shock.
14. Which are the two ways in which inflation can be measured?
15. What is natural rate of unemployment?

SECTION B: Answer the following questions. Each carries *five* marks.**(Ceiling 35 Marks)**

16. Explain the different approaches to the calculation of the GDP. Why should the three approaches yield the same result?
17. Discuss the effectiveness of monetary and fiscal policy in IS-LM analysis.
18. What are the problems in the measurement of national income in the under developed countries?
19. What is modified Phillips' curve? How is it different from the original Phillip's curve?
20. The structural equations of an economy are given as follows:
 $Y = C + I$
 $C = 100 + 0.75Y$ and $I = 100$
 find the equilibrium values for Y and C.
21. Describe the Endogenous growth model.
22. Compare and contrast Classical and Keynesian version of labour market analysis.
23. Discuss the absolute and conditional convergence of the Solow model.

SECTION C: Answer any *two* questions. Each carries *ten* marks.

24. Discuss the simultaneous equilibrium in the goods and money markets in a three-sector model of IS-LM analysis.
25. Solow model is a long run growth model. Discuss.
26. What are the main essentials of classical macro-economic system? On what grounds was it attacked by Keynes?
27. Discuss the trade-off between inflation and unemployment.

(2 x 10 = 20 Marks)