

QP CODE: D3BEC2405

(Pages: 2)

Reg. No :

Name :

THIRD SEMESTER FYUGP EXAMINATION, NOVEMBER 2025

Discipline Specific Core (DSC) Courses - Major

ECO3CJ204 : Intermediate Macroeconomics

(Credits: 4)

Time: 2 Hours

Maximum Marks: 70

Section A

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

1.	Mention two assumptions of the classical interest theory.	BL1	CO1, CO2, CO3, CO4, CO5, CO6
2.	State any two assumptions of Keynesian model.	BL1	CO1, CO2, CO3, CO4, CO5, CO6
3.	Define stagflation.	BL2	CO1, CO2, CO3, CO4, CO5, CO6
4.	What is demand-pull inflation?	BL2	CO1, CO2, CO3, CO4, CO5, CO6
5.	State any two criticisms on the classical system.	BL1	CO1, CO2, CO3, CO4, CO5, CO6
6.	What is meant by full employment in classical economics?	BL2	CO1, CO2, CO3, CO4, CO5, CO6
7.	Comment on the role of money market in the Keynesian model.	BL5	CO1, CO2, CO3, CO4, CO5, CO6
8.	Give two causes of IS and LM shifts.	BL2	CO1, CO2, CO3, CO4, CO5, CO6
9.	State one feature of Keynesian AS.	BL2	CO1, CO2, CO3, CO4, CO5, CO6
10.	What is autonomous consumption?	BL2	CO1, CO2, CO3, CO4, CO5, CO6

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Section B

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

11.	Show with diagram how equilibrium output is determined in the classical system.	BL3	CO1, CO2, CO3, CO4, CO5, CO6
12.	Explain why the tax multiplier $\Delta Y/\Delta T = -b/(1-b)$ is negative and smaller than expenditure multiplier $\Delta Y/\Delta G = 1/(1-b)$.	BL4	CO1, CO2, CO3, CO4, CO5, CO6
13.	Evaluate the IS–LM model's ability to explain unemployment.	BL5	CO1, CO2, CO3, CO4, CO5, CO6
14.	Show how variable wages affect AS and employment.	BL3	CO1, CO2, CO3, CO4, CO5, CO6
15.	Evaluate the stability of IS–LM equilibrium in the short run.	BL5	CO1, CO2, CO3, CO4, CO5, CO6
16.	Assess the relevance of Quantity Theory of Money in controlling inflation.	BL5	CO1, CO2, CO3, CO4, CO5, CO6
17.	Analyze how a rise in savings affects equilibrium income in the Keynesian system.	BL4	CO1, CO2, CO3, CO4, CO5, CO6
18.	Derive the IS and LM curves from equilibrium conditions.	BL3	CO1, CO2, CO3, CO4, CO5, CO6

Section C

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

19.	Create a labor market model incorporating minimum wage legislation.	BL6	CO1, CO2, CO3, CO4, CO5, CO6
20.	Construct a policy mix for ISLM model combining fiscal and monetary tools.	BL6	CO1, CO2, CO3, CO4, CO5, CO6

CO : Course Outcome

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