Reg. No.: ....

Name: ....

University of Kerala

U9066

Second Semester FYUGP Degree Examination, April 2025

Discipline Specific Core Course

ECONOMICS

UK2DSCECO101 - Fundamentals of Macroeconomics

Academic Level: 100-199

Time: 2 Hours(120 Mins) **Max. Marks: 56**

Part A.6 Marks:Time 5 Minutes.(Cognitive Level :Remember(RE)/Understand(UN)) Objective Type.1 mark each, Answer all questions

Qn No.	Question	CL	CO
1	In the circular flow of income, households provide: Options : A)Goods and services B)Imports C)Government subsidies D)Factors of production	RE	1
2	Milton Friedman’s popular phrase "too much money chasing too few goods" refers to:--------- Options : A)Inflation B)Unemployment C)Economic Growth D)Budget deficit	RE	1
3	A type of unemployment in which individuals are technically employed but their marginal productivity is zero is known as ------ Options : A)Voluntary unemployment B)Frictional unemployment C)Structural unemployment D)Disguised unemployment	UN	2
4	The formula 1/(1-MPC) relates to: Options : A)Investment Multiplier B)Accelerator C)Consumption D)Saving	UN	2
5	Economic development refers to: Options : A)A term that is identical to economic growth B)An increase in income levels only in developed countries C)Sustainable improvement in national income and overall social well-being D)Better livelihood opportunities only for urban populations	UN	2

Qn No.	Question	CL	CO
6	The method that calculates national income by summing wages, rent, interest, and profit is:------ Options : A)Product method B)Income method C)Expenditure method D)Value-added method	UN	2

Part B.10 Marks.Time:20 Minutes (Cognitive Level:Understand(UN)/Apply(AP))Two-three sentences.2 marks each.Answer all questions

Qn No.	Question	CL	CO
7	State any two factors that drive Economic Growth.	UN	1
8	What is cost push Inflation?	UN	1
9	Distinguish between Exports and Imports quoting India's experience.	AP	1
10	Discuss the impact of accelerator on the economy.	AP	2
11	Explain the role of natural resources in Economic Development	AP	1

Part C.16 Marks.Time:35 Minutes.(Cognitive Level :Apply(AP)/Analyse(AN))Short Answer.4 marks each, Answer all 4 questions,choosing among options * within each question

Qn No.	Question	CL	CO
12	A) Explain the importance of Perfect Competition in Classical system OR B) What are the features of International Trade? How is international trade different from internal trade?	AP	3, 2
13	A) Many workers are being laid off as a result of recession. What type of unemployment is this? Explain your answer. OR B) What is the role of aggregate demand in determining income and employment in the Simple Keynesian Model	AP	2, 2

Qn No.	Question	CL	CO
14	A) Analyse the relationship between trade and Economic growth OR B) How can a government use the fiscal policy to control inflation?	AN	4, 3
15	A) Examine the circular flow of income in a two sector economy. OR B) How does inflationary gap affect the economy?	AN	3, 3

Part D.24 Marks.Time: 60 Minutes.(Cognitive Level :Analyse(AN)/Evaluate(EV)/Create(CR)) Long Answer 6 Marks each.Answer all 4 questions choosing among options * within each question

Qn No.	Question	CL	CO
16	A) Compare and contrast frictional, structural, technological and cyclical unemployment with suitable examples. OR B) Compare and analyse the concepts of economic growth and economic development. How do they differ, and which one is more relevant to measure progress in developed countries?	AN	2, 2
17	A) How does the Keynesian multiplier effect work, and how does it relate to changes in investment ? OR B) Illustrate how expenditure method is used in calculating National Income.	EV	4, 3
18	A) Compare and contrast characteristics of developing and developed economies. OR B) Evaluate whether new technology and artificial intelligence will reduce unemployment or increase unemployment. Create a policy framework to tackle this issue.	EV	4, 4
19	A) From the following,	CR	4, 4

Qn No.	Question	CL	CO
	Particulars Amount (in crores) NDP_{FC}. 10,000 Net Factor Income from Abroad 200 Depreciation 300 Net Indirect Taxes 250 Calculate: (a) NNP_{FC} (b) GNP_{FC} (c) GNP_{MP} (d) NNP_{MP} (e) NDP_{MP} (f) GDP_{MP} (g) GDP_{FC} OR B) Design a flowchart to show Aggregate Demand and its components and their influence on effective demand in the Keynesian model.		