Subject: DE 512- Macroeconomic Analysis I   FM: 60

Level/program: Master (M.A)   Semester: I   Time: 3 Hours   PM: 30

Candidates are required to answer the questions in their own words as far as practicable.

Attempt ALL of the following Very Short Answer Questions.   10x1=10

1. Show the circular flow of income and expenditure in a two sector economy.

2. Write the concept of a balance of payment accounting.

3. What does the vertical aggregate supply curve represent?

4. State the two basic assumptions of say's law of market.

5. Define consumption function with the functional relationship.

6. Differentiate between short-run and long-run consumption functions.

7. Define marginal efficiency of investment.

8. How does the accelerator influence investment behavior?

9. How can policy measures affect investment?

10. Who introduced the IS-LM model of income determination?

Attempt any THREE of the Following Short Questions.   3x8=24

11. Explain the says law of market and its implication.

12. Elaborate the permanent income hypothesis of consumption.

13. Describe the accelerator theory of investment with its criticism.

14. What is the investment function? Explain the determinants to the investment function.

Attempt any TWO of the Following Long Questions.   2x13 =26

15. How the circular flow concept applied to a three-sector economy, and what are the key interactions and interdependencies between households, businesses, and the government within this framework? Explain.

16. Explain the Keynesian Psychological law of consumption. What are its determination?

17. Within the IS-LM framework, elaborate the potential multi-dimensional effects of an expansionary fiscal policy on the various components of the economy, including interest rates, output, and overall equilibrium.

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