



Register Number:

Date: 24-11-2020

**ST. JOSEPH'S COLLEGE (AUTONOMOUS), BANGALORE-27**  
**B.SC. ECONOMICS - III SEMESTER**  
**SEMESTER EXAMINATION: NOVEMBER 2020**  
**ECS3118:MACROECONOMICS**

**Time- 2 1/2 hrs**

**Max Marks-70**

**This paper contains 2 printed pages and three parts**

**PART A: Answer any TEN (10x3=30)**

1. Distinguish between microeconomics and macroeconomics
2. What is transaction demand for money?
3. Define national income and disposable income
4. What is the Philips curve?
5. Mention any three limitations of macroeconomics
6. What is the difference between transitory income and permanent income?
7. State any three characteristics of classical school of thought
8. What is classical dichotomy?
9. Briefly explain Keynesian consumption function
10. What is balanced budget multiplier?
11. State the three equilibrium conditions in a simple Keynesian model
12. What is intertemporal budget constraint?

**PART B: Answer any TWO(2x5=10)**

13. Calculate national income and NDP at factor cost.  
Compensation of employees 800  
Mixed income 900  
Net factor income from abroad -50  
Rent 350  
Profit 600  
Consumption of fixed capital 200  
Net indirect tax 250  
Interest 450  
Operating surplus 1400
14. Write a note on relative income hypothesis
15. Briefly explain the HarrodDomar model.

**PARTC: Answer any TWO**

**(2x15=30)**

16. Write on note how monetary policy affect different slopes of LM curves in an IS-LM framework
17. Explain the classical theory of employment and output determination
18. Write a note on Baumol-Tobin's theory of money demand.

**ECS3118\_A\_20**