Macro Economics
Semester 2
Question Bank

Unit 1

1. Differentiate between macro and micro economics.

2. What is macro economics? Explain its features?

3. Explain importance/uses of macro economics.

4. Describe the subject matter of macro economics with the help of a diagram.

X 5. Explain flow of income with the help of a diagram.

X 6. What is demonstration effect?

X 7. Explain concepts assumed by economist preferred wrong by Keynes.

X 8. Explain the method suggested by Keynes for great depression of England.

X 9. Explain meaning of CPI, PPI, WPI and macro paradox.

10. Explain scope and limitations of macro economics.

11. Explain the nature of macro economics.

Unit 2

1. Define and explain the meaning of economic growth. Does increase in per   capita income always indicate economic growth?

2. Define and explain the meaning of economic growth and economic   development.

3. Differentiate between economic growth and economic development.

4. What are the factors determining the economic growth of India?

X5. What are the sources of economic growth? What factors contribute to the   economic growth of the country?

6. Explain the four critical factors determining economic growth.

7. What are the five different stages of Rostom's stages of economic growth model?

8. Explain in detail the characteristics of each stage in Rostom's stages of economic growth model.

X9. Criticism of Rostom's stages of economic growth.

10. Distinguish between economic and non-economic production in national accounting.

11. Define national income. Distinguish between (a) GDP and GNP (b) NDP and NNP

12. Explain factor income method of estimating national income. How is it different from expenditure method?

13. Explain the classification of goods for the purpose of national income calculation.

14. Explain the concepts of GNP, GDA, GDP, NNP at factor cost, NNP at market price, PPI.

15. Calculate (a) GDP at market price (b) GDP at factor price (c) GNP when

    Household consumption expenditure is Rs. 550 billion, government Consumption expenditure is Rs. 250 billion, Gross fixed capital formation is Rs. 100 billion, Depreciation Rs. 150 billion, Indirect taxes(net) Rs. 120 billion, Net exports (−)Rs. 50 billion, Net income from abroad RS. 150 billion. 16. What are the methods of measuring national income? What conceptual problems are involved?

17. What is the significance of national income calculation?

18. What are the major problems in the estimation of national income?

19. Explain the uses/importance/significance of national income.

20. Explain the growth rate of national income and of Indian economy.

21. What are the problems of becoming a developed nation?

Unit 3

1. Meaning and definition of inflation.

2. What is a monetary policy and physical policy? Explain measures of both policies?

3. Explain the types of inflation.

4. Explain the causes and effects of inflation.

5. Briefly explain about business cycle.

6. Critically examine the phases theories of business cycle.

7. Discuss HawtreyHayak and Schumpeter theory briefly.

8. Explain various measures to overcome business cycle.

9. Explain various measures to overcome inflation.

Unit 4

1. Write meaning and definition of rent. What are the different types of rent?

2. Explain the Recardian theory of rent.

3. Explain wages and types of wages.

4. What is marginal productivity? Explain the theory of wages.

5. Define interest. Give differences between gross and net interest.

6. Explain Keynesian liquidity preference theory of interest.

7. What is demand, supply equilibrium?

8. Explain the motives of liquidity preference and liquidity trap.

9. Give meaning and definition of profits and explain its types.

10. Briefly explain about Knight's uncertainty bearing theory of profit.

Unit 5

1. Explain Keynesian consumption function with the help of a schedule and diagram. What is propensity to consume?

2. Explain MPC and APC. What are their differences?

3. Explain determinants of consumption function.

4. Explain Keynes psychological law of consumption.

5. Explain APS and MPS.

6. What is average propensity to save and marginal propensity to save?

7. What is average propensity to consume and marginal propensity to consume?

8. Define savings. What is saving curve? What is dissaving?

9. Distinguish between average propensity to consume and marginal propensity to consume.

10. Distinguish between propensity to consume and propensity to save.

11. Distinguish between saving and dissaving

12. Explain the relationship between APC and APS.

13. Explain saving function with the help of a schedule and diagram.

14. Explain determinants of savings function.

15. Explain investment function and its determinants.

16. What is aggregate demand? What are the components of aggregate demand in an economy?

17. What is aggregate supply? What are the components of aggregate supply in an economy?

18. What is autonomous investment? What is the shape of the autonomous investment curve?

19. Explain the Keynesian effective demand.

20. Construct the aggregate demand schedule. How do you obtain the aggregate demand curve?

21. Construct the aggregate supply schedule. How do you obtain the aggregate supply curve?

X22. Explain about (a) aggregate consumption expenditure (b) aggregate investment (c) Net exports (d) private and public investment expenditure (e) government final consumption expenditure.

23. What are the factors that determine propensity to consume and propensity to save?

24. Explain the relationship between propensity to consume and propensity to Save?

25. Explain the equilibrium level of income with the help of aggregate demand and aggregate supply approach.

26. Explain the equilibrium level of income with the help of saving and investment approach.