



Reg. No.:

Name:

University of Kerala

Second Semester FYUGP Degree Examination, May 2026

Discipline Specific Core Course

ECONOMICS

UK2DSCECO101 - Fundamentals of Macroeconomics

Academic Level: 100-199

2024 Admission onwards

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	Which of the following is included in GDP? Options : A)Transfer payments B)Second-hand goods C)Final goods and services D) Illegal income	RE	1
2	The total money value of all final goods and services produced in the domestic territory of a country is Options : A)NNP B)GNP C)GDP D)PI	RE	1
3	Inflationary gap arises when Options : A)Aggregate demand is less than aggregate supply B)Aggregate demand exceeds aggregate supply C)Savings exceed investment D)Imports exceed exports	UN	2
4	The accelerator principle suggests that: Options : A)Consumption depends on past income B)Investment depends on changes in income C)Prices are flexible in the long run D)Government intervention is necessary for economic stability	UN	2
5	Say's Law states that Options : A)Demand creates supply B)Supply creates its own demand C)Prices remain constant D)Government controls	UN	2
6	Key indicators of Boom	UN	1

Qn No.	Question	CL	CO
	Options : A)high growth rate B) low PCI C) High unemployment D)low investment		

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	Define Monetary Policy.	UN	2
8	What is meant by deflation? State one effect of deflation.	UN	2
9	Distinguish between Open and Disguised Unemployment.	AP	3
10	How does the multiplier affect national income?	AP	2
11	If autonomous consumption is 200 and MPC = 0.6, write the consumption function and find consumption when Y = 1000.	AP	3

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 how the accelerator principle contributes to economic expansion. OR B) Show how aggregate demand and aggregate supply determine equilibrium output.	AP	2, 2
13	A) Explain the circular flow of income in a two -sector economy. OR B) Apply the expenditure method to explain the measurement of GDP.	AP	2, 2
14	A) Analyse the importance of International Trade in the modern global economy.	AN	4, 4

Qn No.	Question	CL	CO
	OR B) Analyse the phases of a business cycle with suitable diagrams.		
15	A) Analyse the major differences between Classical and Keynesian economics. OR B) Analyse Adam Smith's theory of Absolute Advantage.	AN	1, 1

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) Analyze the Keynesian theory of income and employment. OR B) Analyze the role of monetary policy in controlling inflation and unemployment.	AN	2, 2
17	A) Evaluate the circular flow of income in the three sector model OR B) Evaluate the various methods of measuring the National Income of a country.	EV	3, 3
18	A) Critically evaluate GDP and HDI as measures of development. OR B) Evaluate the impact of inflation on different sections of society.	EV	3, 3
19	A) Design a policy package to reduce unemployment and achieve economic growth in India. OR B) Develop a strategy for increasing GDP growth in developing countries.	CR	3, 4

Qn No.	Question	CL	CO

Model Question Paper