



Reg. No.:



Name:

Y8619

University of Kerala

Second Semester FYUGP Degree Examination, June 2026

Discipline Specific Core Course

ECONOMICS**UK2DSCECO101 - Fundamentals of Macroeconomics**

Academic Level: 100-199

2025-Admission**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	When the Depreciation is deducted from the GDP, The net Value is Known as Options : A)Gross National Product B)Net National Product C)Net Domestic Product D)None of the Above	RE	1
2	The lowest point in a business cycle is called Options : A)Peak B)Boom C)Trough D)Expansion	RE	2
3	In the Keynesian Cross Model, equilibrium occurs when: Options : A)Aggregate demand is greater than aggregate supply B)Aggregate demand equals aggregate supply C)Savings exceed investment D)Government spending is zero	UN	1
4	Inflation caused by excess demand is known as Options : A)Cost push inflation B)Demand pull inflation C)Hyper inflation D)Creeping inflation	UN	3
5	An increase in government expenditure during recession mainly aims to: Options : A)Reduce national income B)Increase aggregate demand C)Decrease exports D)Reduce money supply	UN	1
6	GNP at market price – Net Factor Income from Abroad is equal to _____. Options : A)Net Domestic Product (NDP) at factor cost B)Gross Domestic Product (GDP) at market price C)Gross National Disposable Income D)Personal Income	UN	1

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 Tariff.	UN	4
8	What do you mean by Disguised Unemployment?	UN	1
9	Illustrate the working of fiscal policy to control inflation?	AP	2
10	If GDP at market price is Rs 2000 cr and Net Indirect Taxes are Rs 200 cr, find GDP at factor cost.	AP	2
11	Examine the functioning of absolute advantage theory.	AP	2

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 Keynesian multiplier with an example. OR B) Illustrate the importance of fiscal policy during inflation.	AP	2, 2
13	A) Calculate the GDP at Market Price (GDP_{MP}) and , NDP at Market Price (NDP_{MP}) of a country by using the Product Method from the following data (in ₹ crore): - Value of output of Primary Sector = 500 - Value of output of Secondary Sector = 800 - Value of output of Tertiary Sector = 650 - Intermediate Consumption = 300 - Depreciation = 100 OR B) Graphically illustrate the four sector circular flow of income and expenditure with financial institution.	AP	3, 3
14	A) Discuss the Keynesian theory of income determination. OR B) Analyse the causes of unemployment in developing countries	AN	3, 3
15	A) Analyse the causes of inflation in an economy. OR B) Explain Fiscal Measures to control Inflation.	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) Discuss various measures to reduce unemployment. OR B) Evaluate the principles of classical economics	AN	3, 2
17	A) Critically evaluate the effects of inflation on different sections of the population OR B) Evaluate the phases of business cycles with suitable examples and diagram.	EV	3, 3
18	A) Evaluate the methods of national income accounting OR B) Evaluate the usefulness of the income method in measuring national income	EV	2, 2
19	A) Construct a graph of the multiplier and explain how a change in investment affects income in an economy. OR B) Develop a policy poster suggesting 2 fiscal policy tools and 2 monetary policy tools the government can use to reduce unemployment during a recession.	CR	4, 4