

- (g) What is multiplier?
- (h) State the scope of macro economics?

SECTION 'B'

Note :- Attempt any two parts of the following : $6 \times 2 = 12$

- 2. (a) Explain four sector model of circular flow of income.
- (b) Briefly explain AS-AD model of determination of national product.
- (c) Explain the various types of investment.
- (d) Explain the various phases of business cycle.

SECTION 'C'

Note :- Attempt all question from this section. Attempt any two parts from each questions. $5 \times 8 = 40$

- 3. (a) Explain the various aggregates of national income.
- (b) Explain three sector model of circular flow of income.

- (c) Explain Hawtrey's monetary theory of business cycle.
4. (a) What are three forms of consumption function? Explain briefly.
- (b) What is investment multiplier? How is it related to marginal propensity to consume?
- (c) Explain the theory of optimum population.
5. (a) State the import features of Keynes's consumption function.
- (b) Explain the permanent income hypothesis.
- (c) Explain the theory of optimum population.
6. (a) Explain the various methods of measuring national income.
- (b) According to Say's law, "Supply creates its own demand". How did Keynes showed it to be invalid.
- (c) Explain the tools of Keynes for under developed countries.



