

1B5N24183

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Reg. No:.....

Name: .....

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE

Fifth Semester BA Economics Degree Examination, November 2024

BEC5B07 – Macroeconomics – I

(2022 Admission onwards)

Time: 2 ½ hours

Max. Marks : 80

**SECTION A****Short Answer Questions**

**Students can attempt all questions- Each question carries a maximum of 2 marks.  
Maximum marks in this section is 25.**

1. Marginal Propensity of Consume (MPC).
2. Laissez Faire system
3. Full employment.
4. Wage-Price Flexibility.
5. Consumption function.
6. Marginal Efficiency of Capital (MEC).
7. Transitory Income.
8. Circular flow of income.
9. Define stock and flow variable.
10. Green GNP.
11. Economic Growth rate.
12. Money Illusion.
13. Endogenous Variable.
14. Money neutrality.
15. Macroeconomics.

### **SECTION B**

#### **Short Essay/ Paragraph Questions**

**Students can attempt all questions. Each question carries a maximum of 5 marks.**

**Maximum marks in this section is 35.**

16. Write a note on classical postulates.
17. Explain classical theory of money.
18. Distinguish between Real Balance effect and Pigou effect.
19. Write your understanding on consumption puzzle stated by Kuznets.
20. Explain Keynesian theory of demand for money.
21. What are the principles of effective demand?
22. What are the factors determining investment decision?
23. Write a note on the scope and limitations of macroeconomics.

### **SECTION C**

#### **Long Essay Questions**

**Answer any two questions.**

**Each question carries a maximum of 10 marks. Total Marks = 20**

24. Examine the arguments of Keynes against classical macroeconomics?
25. Explain Life cycle hypothesis.
26. Analyze the difficulties in the estimation of national income in India.
27. Critically examine classical model of output and employment.

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE  
Fifth Semester BA Economics Degree Examination, November 2024

**BEC5B08 – History of Economic Thought**

(2022 Admission onwards)

Time: 2 ½ hours

Max. Marks : 80

**PART A**

**Short Answer Questions.**

**This section consists of 15 questions having 2 marks each.**

**All questions may be answered.**

**However, total ceiling of marks limited to 25**

1. Write a note on Scholasticism
2. The concept of Net Product as given by Physiocrats
3. Marxian view of Surplus value
4. What are the advantages of division of labour?
5. Explain the concept of stationary state as given by David Ricardo
6. Say's law of market
7. Distinguish between social cost and private cost
8. What are the features of the stage 'High mass consumption?'
9. Keynesian Revolution
10. The monetarist school of thought
11. Drain theory
12. Explain Carl Menger's views on economic methods
13. Pareto's condition of social welfare
14. Write a note on Mahalanobis Plan Model
15. Theory of glut

(15 x 2 = 30, Maximum ceiling 25 marks)

### **PART B**

**This section consists of eight questions having 5 marks each.  
Answer all questions subject to ceiling of 35 marks.**

16. Explain the importance of studying the history of economic thought
17. Give a brief note on economic ideas of Aristotle
18. What are the factors responsible for the growth of mercantilism in Europe?
19. Evaluate the significance of Trusteeship in Gandhi's economic philosophy
20. How did Quesnay explained the circulation of wealth in an economy.
21. Utilitarian approach developed by Jeremy Bentham
22. Theory of capitalist crisis explained by Karl Marx
23. Evaluate Rostow's contribution as an economic historian

**(8 x 5 = 40, Maximum Ceiling 35 marks)**

### **PART C**

**Answer any two questions having 10 marks each**

24. Discuss the contribution of John Maynard Keynes to modern economic theory
25. Explain the basic ideas of Classical school of thought
26. Examine Amartya Sen's approach to Social welfare and poverty
27. Evaluate the influence of Alfred Marshall in the emergence of neoclassical economics

**(2 x 10 =20 Marks)**

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE  
Fifth Semester BA Economics Degree Examination, November 2024

**BEC5B09 – Basic Econometrics**

(2022 Admission onwards)

Time: 2 ½ hours

Max. Marks : 80

**SECTION A**

Short answer type carries 2 marks each.

1. What is dummy variable trap?
2. What is a confidence interval?
3. List out the uses of econometrics.
4. What is Adjusted  $R^2$ ?
5. The estimated equation is given by  $Y = 17 + 0.67047X$ . What is the value of residual at the point  $X=70$  and  $Y=90$
6. Distinguish between cross sectional data and time series data.
7. What is an unbiased estimator?
8. What is p value?
9. Define Standard Error.
10. What is a Null Hypothesis?
11. BLUE
12. Why we need Adjusted  $R^2$  in MLRM to test the goodness of fit. If  $R^2$  in a 3 variable and 50 observation regression model is 0.72, then using this information calculate the value of adjusted  $R^2$ .
13. What is the role of the intercept ( $\beta_0$ ) in a regression model?
14. Explain ANCOVA.
15. What you mean by multiple linear regression?

Ceiling 25 Marks

**SECTION B**

Paragraph type carries 5 marks each.

16. Explain the basic steps involved in performing an ANOVA test.
17. How to interpret an OLS regression result of income on expenditure?

$$Y=184.07+0.7827X$$

$$\{8.258\} \quad \{0.00258\}$$

$$(12.3) \quad (2.12)$$

$$[0.69] \quad [0.05]$$

$$R^2=0.98 \quad D.W=1.9$$

Where, { } are Standard errors, ( ) are t values and [ ] p values

18. State and prove Gauss Markov Theorem.

19. Explain dummy variables and their uses. Give examples of dummy variable.
20. How does the coefficient of determination ( $r^2$ ) measure the goodness of fit of a regression model?
21. Discuss the procedure of Hypothesis Testing.
22. How is the precision of OLS estimators measured in a multiple linear regression model?
23. The estimated results of dummy variable regression model is as follows

$$w = \beta_0 + \beta_1 D1 + \beta_2 D2 + \beta_3 E + u$$

$$W = 1348.42 + 376.646 D1 + 12.45 D2 + 21.42 E + u$$

Where  $D1$  = Male and 0 otherwise and  $D2$  = 1 if belongs to upper class and 0 otherwise,  
 $w$  = wage rate in rupee,  $E$  = number of years of Experience

Interpret the result?

Ceiling 35 Marks

### SECTION C

Essay type carries 10 marks each

24. Describe the key assumptions of the Ordinary Least Squares (OLS) method in estimating regression coefficients.
25. Explain the concept of Analysis of Variance (ANOVA) and its application in regression models. How does ANOVA help in evaluating the impact of qualitative explanatory variables?
26. The following table gives the data on income and consumption expenditure of the 10 households. Construct a theoretically valid econometric model, estimate the relationship, evaluate the model and interpret the result.

Household	Income	Consumption expenditure
1	80	55
2	100	88
3	120	90
4	140	80
5	160	118
6	180	120
7	200	144
8	220	135
9	240	145
10	260	175

27. Explain the concept and formulation of a multiple linear regression model with three independent variables. Discuss how the coefficients of the model are estimated and interpreted.

( 2 x 10 = 20 Marks)

FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE  
Fifth Semester BA Economics Degree Examination, November 2024

**BEC5B10 – Financial Markets**

(2022 Admission onwards)

Time: 2 ½ hours

Max. Marks : 80

**SECTION A**

**Attempt all questions. Each question carries 2 marks.**

1. What are financial instruments?
2. Define the term "capital market."
3. Explain the concept of "call money."
4. What is the purpose of the Securities and Exchange Board of India (SEBI)?
5. What is a debenture?
6. Write a short note on ADR and GDR.
7. Define the term "forward contract."
8. What do you mean by financial services?
9. What is the role of the NSE in India's financial market?
10. Differentiate between equity shares and bonds.
11. What do you mean by underwriting in the primary market?
12. Explain the role of depositories in the stock market.
13. What are the characteristics of a well-functioning financial system?
14. Provide examples of financial institutions.
15. Define "futures" in the derivatives market.

**Ceiling 25 marks**

**SECTION B**

**Attempt all questions. Each question carries 5 marks.**

16. Discuss the functions of the money market.
17. Compare the money market and the capital market.
18. Explain the advantages of mutual funds.
19. Describe the structure of the Indian stock exchanges.
20. What are the main characteristics of a developed money market?
21. What are swaps, and how do they function in the derivative market?
22. Explain the role of certificates of deposit (CDs) in the money market.
23. Discuss the weaknesses of the Indian financial system.

**Ceiling 35 marks**

### **SECTION C**

**Answer any two questions. Each question carries 10 marks.**

24. Examine the role of a well-functioning financial system in economic development.
25. Discuss the growth and development of the capital market in India.
26. Explain the significance and limitations of the derivatives market in financial systems.
27. Evaluate the role of SEBI in regulating the Indian stock market.

**10 x 2 = 20 Marks**

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FAROOK COLLEGE (AUTONOMOUS), KOZHIKODE  
Fifth Semester BA Economics Degree Examination, November 2024  
(Open Course)  
BEC5D01 – Economics in Everyday Life  
(2022 Admission onwards)

Time: 2 hours

Max. Marks : 60

**PART-A**

(All questions may be answered. Each question carries two marks)

1. Positive economics and normative economics
2. GDP deflator
3. Price consumption curve
4. Nature of AR and MR curve under monopoly
5. Sustainable economic growth
6. Repo rate and reverse repo rate
7. Exchnage rate
8. Human development index
9. Law of demand
10. Key points about factor market
11. Stagflation
12. Opporutnity cost

(Ceiling 20 Marks)

**PART -B**

(All questions may be answered. Each question carries 5 marks)

13. Write down the scope of micro economics.
14. Define production possibility curve. State its properties.
15. How market demand derived from individual demand?
16. Briefly explain the relationship between GNP, NNP, and National Income.
17. What are the components of revenue budget and capital budget?
18. State the main objectives of stock exchange.
19. Write down the effects of fiscal deficit on an economy.

(Ceiling 30 Marks)

**PART- C**

(Answer any one of the following questions. Each question carries 10 marks)

20. Define price elasticity of demand. Explain the various types of price elasticity of demand.
21. Examine the importance of fiscal policy for economic stabilization. Discuss.

(Ceiling 10 Marks)