



## FACULTY OF BUSINESS

### FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

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Course Code & Name : **ECO1523 MACROECONOMICS**  
 Trimester & Year : January-April 2021  
 Lecturer/Examiner : Dr Smitha Geetha  
 Duration : 3 Hours

#### INSTRUCTIONS TO CANDIDATES

- This question paper consists of 2 parts:  
**PART A (20 marks) : TWO (2) short answer questions. Answers are to be written in the Answer Booklet provided.**  
**PART B (80 marks) : FOUR (4) structure-type questions. Answers are to be written in the Answer Booklet provided.**
- Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
- This question paper must be submitted along with all used and/or unused rough papers and/or graph paper (if any). Candidates are NOT allowed to take any examination materials out of the examination hall.
- Only ballpoint pens are allowed to be used in answering the questions, with the exception of multiple choice questions, where 2B pencils are to be used.

**WARNING:** The University Examination Board (UEB) of BERJAYA University College regards cheating as a most serious offence and will not hesitate to mete out the appropriate punitive actions according to the severity of the offence committed, and in accordance with the clauses stipulated in the Students' Handbook, up to and including expulsion from BERJAYA University College.

**PART A : SHORT ANSWER QUESTIONS (20 MARKS)**

**INSTRUCTION(S)** : Answer ALL questions on the answer booklet(s) provided.

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**Question 1**

- a. Describe **FIVE (5)** phases of the business cycle. (5 marks)
- b. Discuss any **FIVE (5)** issues addressed by macroeconomists. (5 marks)

**[Total: 10 marks]**

**Question 2**

- a. Distinguish between Classical and Keynesian approaches. (6 marks)
- b. Identify the difference between Gross Domestic Product (GDP) and Gross National Product (GNP). (4 marks)

**[Total: 10 marks]**

**END OF PART A**

**PART B** : **STRUCTURE-TYPE QUESTIONS (80 MARKS)**  
**INSTRUCTION(S)** : Answer ALL questions. Write your answers in the Answer Booklet(s) provided.

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**Question 1**

- a. Describe **FIVE (5)** factors that affect consumption and saving decisions. (10 marks)
- b. Discuss **THREE (3)** factors that affect the investment behaviour of firms. (6 marks)
- c. Distinguish between easy money and tight money policy. (4 marks)
- [Total: 20 marks]**

**Question 2**

- a. Examine macroeconomic variables that affect the demand for money. (10 marks)
- b. Discuss **FOUR (4)** types of unemployment. (8 marks)
- [Total: 18 marks]**

**Question 3**

- a. Discuss a macroeconomic model, which includes the labor market, the goods market and the asset market. (12 marks)
- b. Define **FOUR (4)** types of fiscal policy. (10 marks)
- [Total: 22 marks]**

**Question 4**

- a. Explain the different approaches to calculate national income. (12 marks)
- b. Distinguish between budget deficit, budget surplus and balanced budget. (6 marks)
- c. Define Okun's law. (2 marks)
- [Total: 20 marks]**

**END OF EXAM PAPER**