



BERJAYA BUSINESS SCHOOL

FINAL EXAMINATION

Student ID (in Figures) :

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Student ID (in Words) :

Course Code & Name : **ECO1523 MACROECONOMICS**
 Trimester & Year : January-April 2019
 Lecturer/Examiner : Dr Smitha Geetha
 Duration : 3 Hours

INSTRUCTIONS TO CANDIDATES

1. 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.
2. Candidates are not allowed to bring any unauthorized materials except writing equipment into the Examination Hall. Electronic dictionaries are strictly prohibited.
3. 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.
4. 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.

Question 1

- a. Distinguish between micro and macroeconomics. (4 marks)
- b. Identify and explain any **SIX (6)** issues addressed by macroeconomists. (6 marks)

[Total: 10 marks]

Question 2

- a. Discuss the **TWO (2)** functions of government. (4 marks)
- b. Critically evaluate the income tax structures. (6 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.

Question 1

- a. Describe monetary policy. (4 marks)
- b. Analyse the monetary policy implication during inflation. (10 marks)
- c. Distinguish between easy money and tight money policy. (6 marks)
- [Total: 20 marks]**

Question 2

- a. Describe any **FOUR (4)** factors that shift the aggregate labour supply curve. (10 marks)
- b. Discuss briefly any **FOUR (4)** types of unemployment. (10 marks)
- [Total: 20 marks]**

Question 3

- a. Determine the **THREE (3)** characteristics of assets matter for the portfolio rate of allocation decision. (6 marks)
- b. Differentiate velocity and quantity theory of money. (4 marks)
- c. Analyze the macroeconomic determinants of the demand for money. (10 marks)
- [Total: 20 marks]**

Question 4

- a. Explain how GDP is measured. (12 marks)
- b. Discuss the difference between classical and Keynesian approach. (8 marks)
- [Total: 20 marks]**

END OF EXAM PAPER