



FACULTY OF BUSINESS

FINAL EXAMINATION

Student ID (in Figures) :

--	--	--	--	--	--	--	--	--	--	--	--	--	--

Student ID (in Words) : _____

Course Code & Name : **ECO1123 MACROECONOMICS**
 Trimester & Year : January-April 2021
 Lecturer/Examiner : Dr Smitha Geetha
 Duration : 2 Hours

INSTRUCTIONS TO CANDIDATES

1. This question paper consists of 2 parts:
 PART A (60 marks) : Answer all **THREE (3)** short answer questions. Answers are to be written in the Answer Booklet provided.
 PART B (40 marks) : Answer all **TWO (2)** 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 (60 MARKS)

INSTRUCTION(S) : Answer all **THREE (3)** questions on the answer booklet(s) provided.

Question 1

- a. Using a graph, identify the **FOUR (4)** components of business cycle. (10 marks)
- b. Discuss the **THREE (3)** approaches of calculating national income. (6 marks)
- c. Describe **TWO (2)** main reasons for structural unemployment. (4 marks)

[Total: 20 marks]

Question 2

- a. Identify any **FIVE (5)** factors affecting consumption decision. (10 marks)
- b. Interpret goods market equilibrium with the help of a diagram. (10 marks)

[Total: 20 marks]

Question 3

- a. Definition of money. (2 marks)
- b. Discuss the **THREE (3)** functions of money. (6 marks)
- c. Explain how money is measured. (6 marks)
- d. Examine macroeconomic variables that affect the demand for money. (6 marks)

[Total: 20 marks]

END OF PART A

PART B

: STRUCTURE-TYPE QUESTIONS (40 MARKS)

INSTRUCTION(S)

: Answer all **TWO (2)** questions. Write your answers in the Answer Booklet(s) provided.

Question 1

- a. Describe fiscal policy. (5 marks)
- b. Analyse how the tools of fiscal policy affect aggregate demand. (6 marks)
- c. Distinguish between budget deficit, budget surplus and balanced budget. (9 marks)

[Total: 20 marks]

Question 2

- a. Discuss the **FOUR (4)** functions of central bank. (4 marks)
- b. Describe the **TWO (2)** types of monetary policy. (6 marks)
- c. Analyze how the tools of monetary policy affect the money supply. (10 marks)

[Total: 20 marks]

END OF EXAM PAPER