



the
UNIVERSITY
of
GREENWICH

EXAMINATION PAPER: **ACADEMIC SESSION 2005 / 2006**

Campus: **Avery Hill**

School: **Architecture and Construction**

Department: **Building Economics & Management
Urbanism**

Course Code: **ECON 1048**

Course Title: **ECONOMICS 2 - MACROECONOMICS**

Level: **2**

Duration: **2 hours**

Date: **Tuesday 4th May 2006, start 9.30 am**

INSTRUCTIONS TO CANDIDATES & FOR INVIGILATORS

Answer THREE questions from FIVE.

All questions carry equal marks.

Candidates must comply with the “Instructions to Candidates” printed on the examination answer book.

1. Explain what is meant by the 'circular flow of income', describing the main withdrawals and injections into this system.
2. Outline the main economic explanations for business cycles and discuss the relationship of such cycles to EITHER, the housing and land market OR, the commercial and industrial property markets in general.
3. Explain what is meant by an 'inflationary gap' and explain why and how governments may seek to reduce such gaps.
4. "Why are some countries getting poorer, while most of the world is getting richer ?". (Lipsey & Chrystal. Economics p.629).

Discuss this question in the context of the determinants of economic growth.

5. 'Open international trade benefits all countries'. Discuss.