

E 6688

(Pages : 2)

Reg. No.....

Name.....

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2019

Fourth Semester

B.A. Economics—Model II

Core Course—MACRO ECONOMIC ANALYSIS

(2013 to 2016 Admissions)

Time : Three Hours

Maximum Marks : 80

Part A (Definition Type Questions)

*Answer all the following questions in one sentence each.
Each question carries 1 mark.*

Define the following :—

1. Ratchet Effect.
2. MPC.
3. Net Investment.
4. Multiplier.
5. Broad Money.
6. Phillips Curve.
7. Liquidity Trap.
8. Fiscal Policy.
9. Inflation.
10. Trade Cycle.

(10 × 1 = 10)

Part B

*Answer any eight of the following questions in a paragraph each.
(Not exceeding 100 words)
Each question carries 2 marks.*

11. Relative Income Hypothesis.
12. Discuss the factors affecting consumption.
13. Autonomous and Induced Investment.
14. Functions of Money.
15. Demand pull inflation.

Turn over

16. Quantity Theory of Money.
17. Marginal Efficiency of capital.
18. Business cycle.
19. Permanent Income Hypothesis.
20. Built-in Stabilisers.
21. Inflationary Gap.
22. Crowding Out.

(8 × 2 = 16)

Part C (Short Essays)

*Answer any six of the following questions in one and a half pages each.
(Not exceeding 150 words)
Each question carries 4 marks.*

23. Discuss Accelerator theory of investment.
24. Discuss the different measures of money supply in India.
25. Explain Tobin's theory of demand for money.
26. What are the different phases of a Trade Cycle ?
27. Discuss the Monetary theory of trade cycle.
28. Explain Liquidity theory of Keynes.
29. Illustrate Phillips relationship.
30. How is equilibrium level of income determined in simple Keynesian system ?
31. What are the factors which determine the slope of IS curve ?

(6 × 4 = 24)

Part D (Long Essays)

*Answer any two of the following questions.
(Not exceeding four pages each)
Each question carries 15 marks.*

32. Discuss Life Cycle Hypothesis.
33. Discuss the types of inflation. What are the causes and effects of inflation?
34. Discuss the objectives and instruments of Fiscal Policy.
35. Discuss ISLM Model. Illustrate the simultaneous equilibrium in goods and money markets.

(2 × 15 = 30)