(Pages : 3) **H – 6031**

Reg. No. : .....

Name : .....

Fifth Semester B.A. Degree Examination, December 2019

First Degree Programme Under CBCSS

Economics

EC 1542 : MACRO ECONOMICS – II

(2014 Admission)

Time : 3 Hours Max. Marks : 80

SECTION – I

Answer **all** questions. Each question carries **1** mark.

1. Average Propensity to Consume
2. Induced investment
3. Stagflation
4. Deflation
5. Real interest rate
6. Fisher Effect
7. Macroeconomics
8. Cash Reserve Ratio
9. Consumer Price Index (CPI)
10. Financial investment

(10 × 1 = 10 Marks)

P.T.O.

SECTION – II

Answer **any eight** questions not exceeding one paragraph. Each question carries **2** marks.

11. What is high powered money?

12. Define Endogenous variable.

13. How can you explain economic variable?

14. Write a note on Absolute Income Hypothesis.

15. Discuss briefly the Pigou effect.

16. Define Depression.

17. What do you mean by monetary policy?

18. Write a note on the role of Reserve Bank of India.

19. What do you mean by Gross investment?

20. Explain Relative Income hypothesis.

21. Define effective demand.

22. How can you explain natural rate of unemployment?

(8 × 2 = 16 Marks)

SECTION – III

Answer **any six** questions not exceeding 120 words. Each question carries **4** marks.

23. What are the major qualitative credit control techniques adopted by Central Bank?

24. Explain the liquidity trap.

25. Explain Phillips Curve.

26. Discuss the Liquidity Preference Theory of Interest popularized by J.M. Keynes.

27. Write a note on Trade Cycle.

28. Elucidate the Milton Friedman's Restatement of quantity theory of money.

29. What are the major types of inflation?

30. Explain the concepts of real interest rate and nominal interest rate.

31. Define the concept of money supply. What are the different types of money supply?

(6 × 4 = 24 Marks)

SECTION – IV

Answer **any two** questions, not exceeding four pages. Each question carries **15** marks.

32. Explain the major monetary and fiscal policies for controlling inflation.

33. Explain the concepts of investment multiplier and accelerator.

34. Discuss elaborately the Relative Income Hypothesis and Life Cycle Hypothesis.

35. Explain the objectives and techniques of macroeconomic policies initiated by Central Government and the Reserve Bank of India.

(2 × 15 = 30 Marks)