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Fifth Semester B.A. Degree Examination, December 2021.

First Degree Programme under CBCSS

Economics

Core Course VII

EC 1542 – MACRO ECONOMICS II

(2018 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer **all** questions in **one** word to maximum of **two** sentences. Each question carries **1** mark.

1. Autonomous investment
2. Absolute income.
3. LM Curve
4. Inflation
5. MEI
6. Trade Cycle
7. Saving function
8. Permanent Income

P.T.O.

9. Investment Multiplier

10. Stagflation

(10 × 1 = 10 Marks)

SECTION – II

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

11. Explain the major causes of business cycles?

12. Define Income Policy

13. Point out the main determinants of investment.

14. What do you mean by Speculative demand for money?

15. Write a note on Psychological Law of consumption.

16. Briefly explain Inventory Investment.

17. Point out the major causes of Inflation

18. Explain the equilibrium in the product market.

19. Define Real balance Effect.

20. Define Headline Inflation.

21. Distinguish between Net and Replacement Investment.

22. What are the major objective factors that determine consumption?

23. Explain different types of Unemployment.

24. Write a note on Permanent Income Hypothesis.

25. Define Natural Rate of Unemployment.

26. What is Pigou effect?

(8 × 2 = 16 Marks)

SECTION – III

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

27. Write a short essay on Life Cycle hypothesis?

28. Diagrammatically explain long run Phillips curve?

29. Write a note on the concept of super multiplier?

30. Briefly explain Hick's theory of trade cycle.

31. Write a note on Core Inflation?

32. Diagrammatically explain Deflationary Gap.

33. Define Saving Paradox.

34. What do you mean by Relative Income hypothesis?

35. Explain demand pull and cost push inflation.

36. What are the main instruments of Monetary Policy?

37. Explain the main features of Keynes Effect and Fisher effect.

38. Diagrammatically explain Liquidity trap.

(6 × 4 = 24 Marks)

SECTION – IV

Answer **any two** questions not exceeding **4** pages. Each question carries **15** marks

39. Explain Hawtray's Theory of Trade Cycle.

40. Write an essay on Friedman's Restatement of Quantity theory of Money

41. Briefly explain IS-LM model for a two sector economy.

42. Define Fiscal Policy. What are the main instruments of Fiscal Policy?

43. Define Business Cycle? Explain different Phases of Business Cycle.

44. Explain Liquidity Preference theory.

(2 × 15 = 30 Marks)
