

Reg. No

Name

19P2017

M. A. DEGREE END SEMESTER EXAMINATION - MARCH/APRIL 2019

SEMESTER 2 : ECONOMICS

COURSE : 16P2ECOT07 : ADVANCED MACROECONOMIC THEORY AND POLICY

(For Regular – 2018 Admission and Supplementary – 2017/2016 Admissions)

Time : Three Hours

Max. Marks: 75

Section A

Write a short note on any 8 (2 marks each)

1. Monetarism
2. Fiscalism
3. Unemployment equilibrium
4. Liquidity trap
5. Fiscal Policy
6. Technological shocks
7. DSGE model
8. False trade
9. Disequilibrium models
10. Notional preferences
11. Menu cost
12. Hysteresis effects

(2 x 8 = 16)

Section B

Answer any 7 (5 marks each)

13. Explain the basic themes of monetarism
14. "Money Does Matter" Critically examine this statement
15. Discuss the tenets of new classical macroeconomics
16. Discuss policy ineffectiveness proposition
17. Explain the criticisms of new classical approach
18. State the important policy implications of real business cycle theory
19. Explain Unitary decision hypothesis
20. Explain Keynesian unemployment region
21. Write a note on Gift-exchange model
22. Briefly discuss Insider- outsider model and hysteresis

(5 x 7 = 35)

Section C

Answer any 2 (12 marks each)

23. Bring out the similarities between monetarists and fiscalists.
24. How did Clower and Leijonhufvud explain that Keynes' economics is disequilibrium economics?
25. Discuss the policy implications of New Keynesian economics
26. Analyse how macroeconomic policies are followed in four types of unemployment situation through the taxonomy of Neo-Keynesian quantity constrained model.

(12 x 2 = 24)