

Reg. No.....

Name.....

M. A. DEGREE END SEMESTER EXAMINATION APRIL 2017

SEMESTER - 2: ECONOMICS

**COURSE: 15P2ECOT07 - ADVANCED MACROECONOMIC THEORY AND
POLICY**

(For Supplementary - 2015 Admission)

Time: Three Hours

Max. Marks:75

Part A

Answer any **eight** of the Following in three to four sentences.

Each Question carries two marks

1. Inflationary targeting.
2. NAIRU.
3. Monetarism.
4. Taylor rule.
5. Lucas critique.
6. Laffer curve.
7. Neo-Keynesianism.
8. Dual decision hypothesis.
9. Post-Keynesians.
10. Nominal wage rigidity.
11. Small menu cost model.
12. Insider-outsider model.

(2 x 8 = 16)

Part B (Short Essays)

Answer any **seven** of the following, not exceeding two pages each.

Each question carries five marks

13. Explain the structuralism theory of Inflation.
14. Explain the adaptive expectations hypothesis.
15. Explain the monetarist theory of inflation.
16. Explain the Expectations augmented Phillips curve.
17. Explain the concept of natural rate of unemployment.
18. Explain the inter-temporal substitution model.
19. Explain the implications of supply side economics.
20. Examine the Real Business Cycle theory.

21. Explain the DSGE Model.

22. Write a brief note about the objectives of macroeconomic policy.

(5 x 7 = 35)

Part C

Write long essay on any **two** of the following. Each question carries twelve marks.

23. Critically examine the trade-off between inflation and unemployment highlighting its policy implications.

24. Examine the monetarist-fiscalist debate on the effectiveness of Macroeconomic policies.

25. Examine the quantity constrained model.

26. Examine the Financial instability hypothesis of Minsky.

(12 x 2 = 24)
