Reg. No ....   Name ....

M. A. DEGREE END SEMESTER EXAMINATION - MARCH 2020
SEMESTER 2 : ECONOMICS
COURSE : **16P2ECOT07 : ADVANCED MACROECONOMIC THEORY AND POLICY**
(For Regular - 2019 Admission & Supplementary 2018/2017/2016 Admissions)

Time : Three Hours   Max. Marks: 75

Section A
Answer any 8 (2 marks each)

1. Stagflation
2. Deflationary Gap
3. Longrun Phillips curve
4. Adaptive expectations hypothesis
5. Fiscal Policy.
6. Speculative demand for money.
7. Distinguish between impulse and propagation mechanisms
8. Inter-temporal Substitution of Leisure
9. Super barter
10. Role of auctioneer
11. The auctioneer mechanism
12. Menu cost

(2 x 8 = 16)

Section B
Answer any 7 (5 marks each)

13. Briefly discuss the various anti inflationary measures adopted by the governments in developing countries?
14. What is meant by adaptive expectations?
15. What is meant by rational expectations? Show that there is no trade off between inflation and unemployment in the long run?
16. Briefly discuss the basic tenets of Monetarism?
17. Discuss the views of Keynesians on Monetary Policy?
18. Discuss the real business cycle aggregate demand and supply model
19. Analyse the features of supply side economics
20. Explain Keynesian unemployment region?
21. Write a note on Effective trades and notional preferences?
22. Write a note on Keynes' new world?

(5 x 7 = 35)

Section C
Answer any 2 (12 marks each)

23. Explain the main instruments of monetary policy that can be adopted to control inflation in the economy?

24. Explain the main points of difference between the monetarists and Keynesian about monetary and fiscal policy?

25. Compare the real business cycle theorist's view of the causes of fluctuations of output and employment with the view of new classical economists

26. How did Clower and Leijonhufvud explain that Keynes' economics is disequilibrium economics?

(12 x 2 = 24)