

B. A. DEGREE END SEMESTER EXAMINATION - MARCH 2020**SEMESTER –6: ECONOMICS (CORE COURSE)****COURSE: 15U6CRECO12: MACRO ECONOMIC ANALYSIS***(Common for Regular 2017 Admission & /Supplementary 2016 /2015 Admissions)*

Time: Three Hours

Max. Marks: 75

PART A***Answer all questions in one or two sentences. Each question carries 1 mark.***

1. Marginal Efficiency of Capital
2. GNP deflator
3. High powered money
4. Crowding out effect
5. Fiscal policy
6. Stagflation
7. Depression
8. NAIRU
9. Contra-cyclical policy
10. Built-in-stabilizers (1 x 10 = 10)

PART B***Answer any eight of the following in three or four sentences.******Each question carries 2 marks.***

11. What are automatic stabilizers? Give two examples
12. Relationship between Y, APC and APS
13. Quantity theory of money
14. Liquidity trap
15. Induced investment
16. Importance of multiplier
17. Objectives of monetary policy
18. Measurement of inflation
19. Innovation theory of trade cycle (2 x 8 = 16)

PART C***Answer any five of the following in not more than one page.******Each question carries 5 marks.***

20. Explain demand pull and cost push inflation
21. Discuss different measures of money supply
22. Effectiveness of fiscal policy during depression

23. Explain Keynesian theory of demand for money
24. Discuss various tools of monetary policy
25. Explain Hayek's theory of trade cycle
26. Explain the various phases of a trade cycle (5 x 5 = 25)

PART D

Answer any two of the following in not exceeding four pages.

Each question carries 12 marks.

27. Explain the process of working of the investment multiplier with the help of a numerical example
28. Explain the basic ILSM model. Discuss the limitations of the model
29. Discuss the relationship between unemployment and inflation in the short run and long run
30. Critically examine Tobin's portfolio selection model of demand for money (12 x 2 = 24)
