M. A. DEGREE END SEMESTER EXAMINATION - JULY 2021
SEMESTER 2 : ECONOMICS
COURSE : **16P2ECOT07 : ADVANCED MACROECONOMIC THEORY AND POLICY**
(For Regular - 2020 Admission and Supplementary 2019/2018/2017/2016 Admissions)

Time : Three Hours   Max. Marks: 75

PART A
Answer any 8 (2 marks each)

1. Natural Rate of Unemployment
2. Inflation Targeting
3. NAIRU
4. Augmented Phillips Curve
5. Monetary policy.
6. Price expectations effect
7. Stylized facts of the business cycle
8. Solow residual
9. Co-ordination success
10. Insiders and outsiders
11. Efficiency wage
12. Choice theoretic base of Keynesian theory

(2 x 8 = 16)

PART B
Answer any 7 (5 marks each)

13. Briefly discuss the classical theory of inflation?
14. Do you think that structural theory of inflation is superior to other theories inflation?
15. Explain the role of fiscal policy in controlling inflation?
16. Inflation is always and every where a monetary phenomenon. Discuss?
17. Explain the transmission process in monetarist model?
18. Explain various supply side shocks resulting in changes in productivity
19. Analyse the implications of Laffer curve
20. Explain Rationing in a two market model?
21. Explain Classical unemployment region?
22. Write a note on Walrasian auctioneer mechanism?

(5 x 7 = 35)

PART C
Answer any 2 (12 marks each)

23. Compare and contrast the role of monetary policy and fiscal policy in controlling inflation?
24. Point out the significance of new classical macroeconomics?
25. Explain the implications of Rational expectations assumption for the effectiveness of economic stabilization policies
26. Explain Kalecki's pricing model?

(12 x 2 = 24)