

Reg. No.....

Name.....

**B. A. DEGREE END SEMESTER EXAMINATION - APRIL 2021****SEMESTER –6: ECONOMICS (CORE COURSE)****COURSE: 15U6CRECO12: MACRO ECONOMIC ANALYSIS***(Common for Regular 2018 Admission & Improvement 2017/Supplementary 2017/2016/2015 Admissions)*

Time: Three Hours

Max Marks: 75

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

1. Define Consumption function
2. Define full employment.
3. Define classical Dichotomy
4. What do you mean by wage rigidity
5. Employment Multiplier
6. Monetary Policy
7. What Stagflation
8. Says law of Market
9. Open economy
10. Effective demand

(1 x 10 = 10)

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

11. Define Creeping and walking Inflation
12. Differentiate between Demonstration effect and Ratchet Effect.
13. Distinguish Aggregate demand curve and Aggregate supply curve
14. Define Consumption function and state the Psychological Law of Consumption
15. Keynesian Cross analysis
16. Distinguish between 'money wages and real wages'
17. Marginal Efficiency of Capital (MEC)
18. Distinguish between Partial and General Equilibrium analysis
19. Write a note on Keynes effect

(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 'Crowding out effect'. What determines the magnitude of the crowding out effect?
21. Identify the important factors that influence consumption other than Income.
22. What is investment multiplier? How can it be derived from marginal propensity to consume?
23. Critically Examine the accelerator theory of investment

24. Discuss the effects of a cut in money wage on level of employment and bring out the view points of classical economists and Keynesian Economists.
25. Discuss the policies to control a) Demand pull inflation and b) Cost push inflation
26. Explain the technical attributes of consumption function. (5 x 5 = 25)

**PART D**

***Answer any TWO of the following in not exceeding four pages.***

***Each question carries 12 marks***

27. Compare and contrast the classical, Keynesian and Post Keynesian theories of demand for money
28. Explain how IS – LM determines the level of national income. Also examine how changes in policy and shocks to the economy can cause the IS and LM curves to shift.
29. What do you understand by business cycle? Explain its features and different phases. Also discuss the explanations of Hawtrey, Hayek and Keynes?
30. Discuss the trade-off between inflation and unemployment. Explain the modifications made upon the Phillips Curve. (12 x 2 = 24)

\*\*\*\*\*