Reg. No .... Name **23P2017**

M. A. DEGREE END SEMESTER EXAMINATION : MARCH 2023
SEMESTER 2 : ECONOMICS
COURSE : **21P2ECOT07: ADVANCED MACRO ECONOMIC THEORY AND POLICY**
(For Regular - 2022 Admission and Supplementary - 2021 Admission)

Duration : Three Hours   Max. Weights: 30

PART A
Answer any 8 questions   Weight: 1

1.	Define GNP deflator.	(R)
2.	Define NAIRU.	(R, CO 1)
3.	Define fiscal Policy.	(R)
4.	What is Inter-temporal Substitution of Leisure?	(R, CO 3)
5.	Define Laffer curve.	(U, CO 3)
6.	Define Stagflation.	(R, CO 1, CO 3)
7.	Define Non-Walrasian equilibrium.	(U, CO 4)
8.	What is Co-ordination failure?	(R, CO 4)
9.	What is meant by real rigidities?	(R, CO 4)
10.	What is Walrasian old world?	(U, CO 4)

(1 x 8 = 8)

PART B
Answer any 6 questions   Weights: 2

11.	What is meant by adaptive expectations?	(R, CO 1)
12.	Is fiscal or monetary policy more effective in controlling inflation? Elucidate.	(An)
13.	Discuss the views of Keynesians on Monetary Policy.	(An, CO 2, CO 4)
14.	Outline the important propositions of new classical macroeconomics.	(U)
15.	What are the measures taken by Ronald Reagan to control Stagflation in USA ? Explain.	(R)
16.	Discuss about Efficiency wage model.	(U, CO 4)
17.	Briefly discuss Dual decision hypothesis.	(U, CO 4)
18.	Explain classical unemployment region.	(U, CO 4)

(2 x 6 = 12)

PART C
Answer any 2 questions   Weights: 5

19.	What are the effects of inflation on wage- earners, fixed income people, debtors and creditors, producers and government? Give the reasons for the effects of inflation on different sections of the society.	(E)
20.	What is monetarism? Describe the essence of monetarism and its assumption. How does the causation process work from change in money supply to change in output?	(U)

21. Explain the implications of rational expectations assumption on the effectiveness of economic stabilization policies. (U, CO 3)

22. 'There is a positive relationship between real wage and productivity'. Substantiate the statement with suitable theoretical models. (U, CO 4)

(5 x 2 = 10)

OBE: Questions to Course Outcome Mapping

CO	Course Outcome Description	CL	Questions	Total Wt.
CO 1	Compares Classical and Keynesian Approaches to Inflation and Understands the Phillips Curve.	An	2, 6, 11	4
CO 2	Analyse modern developments in classical macroeconomics.	An	13	2
CO 3	Analyse modern developments in new classical macro economics and develops an understanding about supply side economics, real business cycle model and dynamically stochastic general equilibrium model.	An	4, 5, 6, 21	8
CO 4	Analyse the modern developments in Keynesian school and to evaluate the policy implications of post Keynesian theories.	An	7, 8, 9, 10, 13, 16, 17, 18, 22	17

Cognitive Level (CL): Cr - CREATE; E - EVALUATE; An - ANALYZE; A - APPLY; U - UNDERSTAND; R - REMEMBER;