

B. A DEGREE END SEMESTER EXAMINATION : OCTOBER 2022**SEMESTER 5 : ECONOMICS****COURSE : 19U5CRECO8 : MACROECONOMIC ANALYSIS***(For Regular - 2020 Admission & supplementary - 2019 Admission)*

Time : Three Hours

Max. Marks: 75

PART A**Answer All (1 mark each)**

1. What is meant by consumption puzzle?
2. What is meant by high powered money?
3. Define fiscal policy
4. What is monetarism?
5. Define capital
6. What is liquidity trap?
7. What is policy by discretion?
8. Why Keynes gave more importance to fiscal policy than monetary policy?
9. Define cyclical unemployment
10. Define LM Schedule

(1 x 10 = 10)**PART B****Answer any 8 (2 marks each)**

11. Identify the changes in the recession phase of business cycles
12. What is the role of money in the short run in monetarism?
13. What are the objectives of monetary policy?
14. What are the features of long run philips curve
15. What are the three rates influencing demand for money according to monetarists?
16. What is Keynes effect?
17. What are the factors determining the slope of LM schedule?
18. What is Net Present Value?
19. Evaluate the Psychological law of consumption
20. Explain the neo classical ideas on formation of expectations?

(2 x 8 = 16)**PART C****Answer any 5 (5 marks each)**

21. Explain how change in consumption or income affects the level of investment
22. Explain how nominal income is determined in the approach of Friedman
23. Assess the classification of inflation
24. Explain the concept of Marginal efficiency of Investment
25. Analyse the instruments of monetary policy
26. Explain the theory of adaptive expectations
27. Explain the three ranges of LM curve

(5 x 5 = 25)

PART D

Answer any 2 (12 marks each)

28. Identify the causes and effects of inflation
29. Evaluate major trade cycle theories
30. Evaluate the ideas put forward by New Keynesians
31. Critically evaluate the accelerator theory of investment

(12 x 2 = 24)