

**M. A. DEGREE END SEMESTER EXAMINATION - MARCH 2024****SEMESTER 2 - ECONOMICS****COURSE : 21P2ECOT07 - ADVANCED MACRO ECONOMIC THEORY AND POLICY***(For Regular 2023 Admission and Improvement/Supplementary 2022/2021 Admissions)*

Duration : Three Hours

Max. Weights: 30

**PART A****Answer any 8 questions****Weight: 1**

1. Define short and long sides of the market. (U, CO 4)
  2. Define rational expectation. (R, CO 2, CO 3)
  3. Define sticky price. (R, CO 4)
  4. Define Laffer curve. (U, CO 3)
  5. Define tax wedge. (R)
  6. Explain coordination failure. (R, CO 4)
  7. What is an intermediate range? (R)
  8. What is desirable rate of inflation? (U)
  9. Write a note on Taylor's Rule? (R, CO 4)
  10. Define Inflation Targeting. (U, CO 1)
- (1 x 8 = 8)**

**PART B****Answer any 6 questions****Weights: 2**

11. Write a note on effective trades and notional preferences. (U, CO 4)
  12. Write a note on Labour turnover model. (U, CO 4)
  13. Analyse the features of supply side economics. (An, CO 3)
  14. What modifications were made to the Phillips curve by Tobin? How is his modification different from Friedman's modification? (An)
  15. Elucidate the causes for stagflation in 1970's. (U)
  16. What is meant by adaptive expectations? (R, CO 1)
  17. Write a note on Repressed inflation region. (U, CO 4)
  18. Briefly write a note on Fiscalism. (U, CO 2)
- (2 x 6 = 12)**

**PART C****Answer any 2 questions****Weights: 5**

19. Combating inflation has been one of the most intractable economic problem faced by the developed and underdeveloped countries. Comment. (E)
  20. Discuss the policy implications of New Keynesian economics. (U, CO 4)
  21. Bring out the similarities between monetarists and fiscalists. (E, CO 2)
  22. Critically analyse the contributions of the Real business cycle school. (An, CO 3)
- (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	10, 16	3
CO 2	Analyse modern developments in classical macroeconomics.	An	2, 18, 21	8
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	2, 4, 13, 22	9
CO 4	Analyse the modern developments in Keynesian school and to evaluate the policy implications of post Keynesian theories.	An	1, 3, 6, 9, 11, 12, 17, 20	15

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