

M. A. DEGREE END SEMESTER EXAMINATION - APRIL 2025**SEMESTER 2 : ECONOMICS****COURSE : 24P2ECOT07 : ADVANCED MACRO ECONOMIC THEORY AND POLICY***(For Regular 2024 Admission)*

Duration : Three Hours

Max. Weights: 30

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

1. Adverse selection model. (U)
 2. Ponzi finance. (R, CO 4)
 3. Coordination failure. (U)
 4. What was the role of money in an economy according to post-keynesians? (An)
 5. Signal extraction problem. (U)
 6. How does high labor turnover cost affect a company? (U)
 7. Explain the concept of walrasian general equilibrium. (An)
 8. What are the differences between consistent and time inconsistent policies? (An)
 9. Principle of effective demand. (An)
 10. How does the Shirking Model contribute to involuntary unemployment? (U)
- (1 x 8 = 8)**

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

11. Examine the concept of Implicit-Contract theory. (U)
 12. Explain the implications of Rational expectations assumption for the effectiveness of stabilization policy. (An, CO 2)
 13. Write an essay on segmented labour market and its impact on the supply of labour. (A)
 14. What are the major conclusions that can be derived from post keynesian theory of income distribution? (An)
 15. What are menu costs? Explain their role in price stickiness. (U)
 16. Explain Rational Expectations Hypothesis. (An)
 17. Keynesian unemployment. (U, CO 1)
 18. What are the similarities and differences between Keynesian unemployment and classical unemployment? (An)
- (2 x 6 = 12)**

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

19. Examine the various New Keynesian models that explain nominal wage rigidity (An)
 20. Write an essay on neo-keynesian quantity constrained models. (An, CO 1)
 21. Examine the key characteristics of Post-Keynesian Economics. (An)
 22. Outline the important propositions of new classical macroeconomics. (U, CO 2)
- (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	17, 20	7
CO 2	Analyse modern developments in classical macroeconomics	An	12, 22	7
CO 4	Develops an understanding about dynamically stochastic general equilibrium model	U	2	1

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