

M. A. DEGREE END SEMESTER EXAMINATION - APRIL 2026**SEMESTER 2 : ECONOMICS****COURSE : 24P2ECOT07 : ADVANCED MACRO ECONOMIC THEORY AND POLICY***(For Regular 2025 Admission and Improvement/Supplementary 2024 Admission)*

Time : Three Hours

Max. Weights: 30

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

1. Why do firms pay higher wages to prevent shirking? (U)
2. What is principle of effective demand in Post-Keynesian Economics. (An)
3. Briefly explain the characteristics of Kaldorian strand. (U, CO 4)
4. How does new classical school differ from monetarism? (An)
5. What are the core ideas propounded by Sraffians? (R)
6. Sticky real wage. (U)
7. What is the weak version of REH? (U)
8. Examine the role of money in the Walrasian market. (E)
9. What was the relevance of money according to neo-keynesians? (An)
10. Hysteresis. (U)

(1 x 8 = 8)**PART B****Answer any 6 questions****Weights: 2**

11. Examine the role of imperfect information in explaining business cycles. (An)
12. Discuss the significance of historical time and uncertainty in Post-Keynesian theory. (An)
13. Graphically explain the rationing that is observed in the dual decision hypothesis. (An)
14. Write a short essay on Coordination failure. (U)
15. Elaborate upon the two important approaches to aggregate supply in the new classical school. (An)
16. Examine how the Shapiro-Stiglitz Model explains unemployment and worker effort. (An)
17. Repressed inflation. (U, CO 1)
18. Examine the meaning of the statement 'It is better to be roughly right than precisely wrong'. (U)

(2 x 6 = 12)**PART C****Answer any 2 questions****Weights: 5**

19. Graphically explain different types of non-market clearing states that arises due to false trading. (An, CO 1)
20. Examine the various New Keynesian models that explain real wage rigidity. (E)
21. Examine the fundamental characteristics of Post-Keynesian Economics and their implications for economic policy." (E)
22. Explain the various policy implications of the new classical school. (U)

(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, 19	7
CO 4	Develops an understanding about dynamically stochastic general equilibrium model	U	3	1

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