Reg. No .... Name **26U514-S**

B. A. DEGREE END SEMESTER (SAY) EXAMINATION - MAY 2026

SEMESTER 5 : ECONOMICS

COURSE : **19U5CRECO8 : MACROECONOMIC ANALYSIS**

(For Supplementary (SAY) 2023 Admission)

Time : Three Hours Max. Marks: 75

PART A

Answer All (1 mark each)

1. What is rational expectations?
2. What is Wage Rigidity?
3. What is velocity of circulation?
4. How do firms decide whether to invest using the Net Present Value (NPV) method?
5. What is tight money policy.
6. What is speculative demand for money?
7. Define repo rate.
8. What is permanent income Hypothesis?
9. What is selective credit control?
10. What is meant by high powered money?

(1 x 10 = 10)

PART B

Answer any 8 (2 marks each)

11. Okun's Law.
12. How ratchet effect affects consumption?
13. What is MEC.
14. What is meant by the monetary base of the economy?
15. What is inflation targetting?
16. What are the lessons from Luca's critique?
17. Liquidity trap.
18. What is monetary policy?
19. Explain the neo classical ideas on formation of expectations?
20. What is Supply side economics.

(2 x 8 = 16)

PART C

Answer any 5 (5 marks each)

21. List down different types of unemployment.
22. Analyse the instruments of monetary policy.
23. Define Business cycle. What are the characteristics of business cycle.
24. Evaluate the restatement of quantity theory by Friedman.
25. Explain how Friedman reconciled Absolute Income Hypothesis and Kuznets' Consumption Puzzle.
26. Explain the importance of Relative Income Hypothesis.
27. Explain the cambridge version of quantity theory of money.

(5 x 5 = 25)

PART D

Answer any 2 (12 marks each)

28. Evaluate major trade cycle theories.
29. Evaluate the ideas put forward by New Keynesians.
30. Critically evaluate the accelerator theory of investment.
31. Evaluate the Liquidity preference theory of interest.

(12 x 2 = 24)