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Reg. No. : .....

Name : .....

**First Semester M.A. Degree Examination, October 2023**

**Behavioural Economics and Data Science**

**BEDS 512 — MACRO ECONOMIC THEORY**

**(2020 Admission Onwards)**

Time : 3 Hours

Max. Marks : 75

**SECTION – I**

Answer all questions. Each question carries 1 mark.

1. Tobin q ratio
2. Monetary policy
3. Drift hypothesis
4. MEC
5. Money multiplier
6. Irreversible investment
7. Buffer stock Model
8. Balance of payment
9. Fisher effect
10. Fiscal sustainability

**(10 × 1 = 10 Marks)**

P.T.O.



## SECTION – II

Answer any **seven** questions in less than **400** words. Each question carries **5** marks.

11. Discuss the Patinkins' Real balance effect.
12. What are the key pillars of classical theory of output, employment and price levels?
13. Critically evaluate the Tobin's portfolio model of the demand for money.
14. Examine the effects of a shift in the IS-LM curves.
15. Discuss the concept of Impossible trinity.
16. What is Modigliani – Miller theory of Investment? Discuss
17. Describe the consumption function puzzle.
18. Explain capital stock adjustment principle.
19. Distinguish between fixed and flexible exchange rate with capital mobility.
20. Discuss the relationship between money and credit multiplier.

(7 × 5 = 35 Marks)

## SECTION – III

Answer any **three** questions in less than **1200** words. Each question carries **10** marks.

21. Explain Mundell-Fleming model of an open economy.
22. Explain the effectiveness of fiscal and monetary policies in IS-LM model.
23. Discuss how the interaction between the multiplier and accelerator can be used to explain the trade cycle theory.
24. Critically examine Behavioural model of Money supply determination.
25. Critically evaluate the various theories of consumption.

(3 × 10 = 30 Marks)

