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Reg. No. : .....

Name : .....

**First Semester M.A. Degree Examination, April 2024**

**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. Impossible trinity
2. Real balance effect
3. Fiscal policy
4. Liquidity trap
5. Consumption function puzzle
6. Balance of payment
7. Crowding out effect
8. Asymmetric information
9. Endogenous income theory
10. High powered money

**(10 × 1 = 10 Marks)**

**P.T.O.**



## SECTION – II

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

11. Compare and contrast Classical and Keynesian version of the determination of output, employment and price levels.
12. Discuss Modigliani — Miller theory of Investment.
13. Write a short note on Drift Hypothesis of Consumption.
14. Explain the money multiplier approach to money supply.
15. Describe the Keynesian approach to the demand for money.
16. Write a short note on post-Keynesian macroeconomic thoughts.
17. Explain Acceleration theory of Investment.
18. Discuss the effectiveness of fiscal and monetary policies on IS-LM analysis.
19. What is Random walk hypothesis? Discuss.
20. Distinguish between Internal and external equilibrium in an open economy.

(7 × 5 = 35 Marks)

## SECTION – III

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

21. Explain the IS-LM model of income determination for a three-sector economy.
22. Discuss the Tobin, Baumol and Friedman's approaches on Demand for money.
23. Critically examine the Fisher's Intertemporal choice model.
24. Describe Mundell- Fleming model of an open economy.
25. Explain MEC and Keynesian theory of Investment.

(3 × 10 = 30 Marks)

