

(Pages : 4)



M – 4429

Reg. No. :

Name :

Fourth Semester B.A. Degree Examination, February 2022

First Degree Programme under CBCSS

Economics

Core Course V

EC 1442 – INTERMEDIATE MACRO ECONOMICS

(2019 Admission)

Special Examination

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer all questions. Each question carries 1 mark.

1. External Balance
2. Unemployment
3. Real Exchange Rate
4. Stagflation
5. Money illusion
6. Exponential growth
7. Steady state of growth

P.T.O.



8. Velocity of Money
9. Near-money
10. Inventory investment

(10 × 1 = 10 Marks)

SECTION – II

Answer any **eight** questions not exceeding one paragraph. **Each** question carries **2** marks.

11. In what way is domestic trade different from foreign trade?
12. What is meant by forward foreign exchange transaction?
13. What does the term balance of payments mean?
14. What are the three main accounts in the Balance of Payments?
15. Why is neoclassical aggregate supply curve vertical?
16. What is a natural rate of unemployment?
17. Explain fundamental psychological law of consumption.
18. What is expectation augmented Phillips Curve?
19. What is meant by the 'liquidity trap'?
20. Write a short note on speculative demand for money.
21. Examine the concept of Broad Money
22. What do you mean by supply shocks?
23. Write a note on different exchange rates?
24. Explain the concept of rational expectation.

25. Discuss the various investment subsectors.
26. Briefly explain Balance of Trade.

(8 × 2 = 16 Marks)

SECTION – III

Answer any **six** questions not exceeding 120 words. **Each** question carries **4** marks.

27. Give arguments for and against the fixed exchange rates system.
28. Explain different kinds of transactions in the foreign exchange markets.
29. Give a brief account of the important causes of the Balance of Payments disequilibrium?
30. What are the main features of stagflation?
31. What are the motives for money holding according to the Keynesian theory of money demand?
32. Why are wages being sticky?
33. State major propositions of permanent income hypothesis.
34. Explain different types of inventories.
35. Distinguish between fixed and flexible exchange rates.
36. Discuss the quantity theory of money.
37. Discuss the primary and secondary functions of money.
38. Write a note on the determination of exchange rate in the long run.

(6 × 4 = 24 Marks)

SECTION – IV

Answer any **two** questions not exceeding four pages each. Each question carries **15** marks.

39. Explain the theory of determination of equilibrium level of output and income with the help of aggregate demand and aggregate supply curves.
40. Elucidate the Solow's growth model.
41. Critically examine Life Cycle theory of Consumption
42. Explain the main features of the endogenous growth theory.
43. Elaborate Supply-Side Economics
44. Write an essay on income velocity of money.

(2 × 15 = 30 Marks)
