

(Pages : 3)

**N – 7585**

**Reg. No. :** .....

**Name :** .....

**Fourth Semester B.A. Degree Examination, August 2022**

**First Degree Programme under CBCSS**

**Economics**

**Core Course – V**

**EC 1442 — INTERMEDIATE MACRO ECONOMICS**

**(2019 Admission Onwards)**

Time : 3 Hours

Max. Marks : 80

**SECTION – I**

Attempt **all** questions. Each question carries **1** mark.

1. Balance of Trade
2. Fixed Exchange Rate
3. Aggregate Demand
4. Stagflation
5. MPC
6. Relative Income
7. Inventory Investment
8. Money Supply
9. Narrow Money
10. Menu Costs

**(10 × 1 = 10 Marks)**

**P.T.O.**

## SECTION – II

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

11. What do you mean by BOP equilibrium?
12. Explain merchandise trade.
13. What do you mean by adjustable peg?
14. What is excess demand inflation?
15. Mention SRPC (Short Run Philips Curve).
16. Explain adaptive expectations.
17. What is unilateral transfer account?
18. Define real wages.
19. Explain long-run aggregate supply.
20. Mention knife-edge equilibrium.
21. What do you mean by autonomous consumption?
22. Explain demonstration effect.
23. What is IRR?
24. Explain transaction demand for money.
25. What is velocity of money?
26. Explain monetary base.

**(8 × 2 = 16 Marks)**

## SECTION – III

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

27. Explain the major components of balance of trade.
28. Distinguish between fixed and flexible exchange rates.
29. List out the basic theoretical implications of long-run aggregate supply curve.
30. Examine the inflation-unemployment trade-off in the short-run.

31. Mention the natural rate of unemployment hypothesis.
32. Write a note on endogenous growth.
33. Explain the life cycle hypothesis of consumption.
34. Mention the major postulates of supply-side economics.
35. Explain the Laffer curve analysis.
36. Examine the policy implications of stagflation in an economy.
37. What are the major effects of investment on aggregate supply?
38. Discuss Baumol's inventory analysis.

**(6 × 4 = 24 Marks)**

#### SECTION – IV

Answer any **two** questions not exceeding **4** pages. Each question carries **15** marks.

39. Explain briefly the basic components of balance of payments of a country.
40. Discuss the major concepts associated with exchange rate changes in an economy.
41. Explain the Phillips curve analysis.
42. Examine Solow's neo-classical model of steady growth.
43. Explain consumption puzzle and its theoretical implications.
44. List out the major functions of money in the modern economy.

**(2 × 15 = 30 Marks)**

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