

(Pages : 3)

M – 1223

Reg. No. :

Name :

Fifth Semester B.A. Degree Examination, December 2021

First Degree Programme under CBCSS

Economics

EC 1542 – MACRO ECONOMICS – II

(2014 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer in **one** or **two** sentences. Attempt **all** questions. Each question carries **1** mark.

1. Marginal Propensity to Consume
2. Autonomous Investment
3. Multiplier
4. Speculative Demand for Money
5. Real Rate of Interest
6. Inflation
7. GDP Deflator
8. Stagflation
9. High-Powered Money
10. Fiscal Policy

(10 × 1 = 10 Marks)

P.T.O.

SECTION – II

Answer **any eight** questions not exceeding **1** paragraph. Each question carries **2** marks.

11. Explain the ratchet effect of consumption.
12. Examine the dual effect of net investment.
13. What is super multiplier?
14. What is MEC?
15. Explain liquidity trap.
16. Examine the H-theory of money supply.
17. Mention Pigou effect.
18. What do you mean by Consumer Price Index?
19. Examine the different phases of a trade cycle.
20. Explain Phillips curve.
21. What is natural rate of unemployment?
22. Explain bank rate.

(8 × 2 = 16 Marks)

SECTION – III

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

23. Explain the psychological law of consumption.
24. Discuss the consumption puzzle.
25. What are the major determinants of investment according to Keynes?

26. Explain the liquidity preference analysis.
27. Discuss Milton Friedman's restatement of the quantity theory of money.
28. Distinguish between the short-run and long-run Phillips curves.
29. Mention Fisher effect.
30. Examine the basic objectives of macroeconomic policies.
31. Explain the major instruments of fiscal policy.

(6 × 4 = 24 Marks)

SECTION – IV

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

32. Give a brief account of major Post-Keynesian consumption hypotheses.
33. Compare and contrast the cash transaction and cash balance approaches to quantity theory of money.
34. Explain Hicksian trade cycle model.
35. What is monetary policy? Examine the major instruments of monetary policy.

(2 × 15 = 30 Marks)