

(Pages : 3)

M – 1229

Reg. No. :

Name :

Fifth Semester B.A. Degree Examination, December 2021

First Degree Programme Under CBCSS

Economics

Core Course VII

EC 1542 : MACRO ECONOMICS II

(2016 and 2017 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – I

Answer **all** questions in **one** word to maximum of **two** sentences. Each question carries **1** mark.

1. Autonomous investment
2. Absolute income
3. LM Curve
4. Inflation
5. MEI
6. Trade Cycle
7. Saving function
8. Permanent Income

P.T.O.

9. Investment Multiplier
10. Stagflation

(10 × 1 = 10 Marks)

SECTION – II

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

11. Explain the major causes of business cycles.
12. Define Income Policy.
13. Point out the main determinants of investment.
14. What do you mean by Speculative demand for money?
15. Write a note on Psychological Law of consumption?
16. Briefly explain Inventory Investment.
17. Point out the major causes of Inflation.
18. Explain the equilibrium in the product market.
19. Define Real balance Effect.
20. Define Headline Inflation.
21. Distinguish between Net and Replacement Investment.
22. What are the major objective factors that determine consumption?

(8 × 2 = 16 Marks)

SECTION – III

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

23. Write a short essay on Life Cycle hypothesis.
24. Diagrammatically explain long run Phillips curve.
25. Write a note on the concept of super multiplier.
26. Briefly explain Hick's theory of trade cycle.
27. Explain different Phases of Business Cycle.
28. Diagrammatically explain Deflationary Gap.
29. Define Saving Paradox.
30. What do you mean by Relative Income hypothesis?
31. Explain demand pull and cost push inflation.

(6 × 4 = 24 Marks)

SECTION – IV

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

32. Explain Hawtray's Theory of Trade Cycle.
33. Write an essay on Friedman's Restatement of Quantity theory of Money.
34. Briefly explain IS-LM model for a two sector economy.
35. Define Fiscal Policy. What are the main instruments of Fiscal Policy?

(2 × 15 = 30 Marks)