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P – 2245

Reg. No. :

Name :

Fifth Semester B.A. Degree Examination, December 2022

First Degree Programme Under CBCSS

Economics

Core Course VII

EC 1542 : MACRO ECONOMICS II

(2015-2017 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – A

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

1. Fiscal Policy
2. Absolute income
3. Inflation
4. Inventory Investment
5. Investment Multiplier
6. LM Curve
7. Trade Cycle
8. Transitory Income
9. Marginal Efficiency of Investment
10. Mark Up Inflation

(10 × 1 = 10 Marks)

P.T.O.

SECTION – B

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

11. Define Real balance Effect
12. Write a note on Psychological Law of consumption.
13. What do you mean by Natural rate of Unemployment?
14. Point out the main determinants of investment.
15. What do you mean by Speculative demand for money?
16. Write a note on the concept of super multiplier.
17. Distinguish between MEC and MEI?
18. Explain Keynesian theory of investment demand?
19. Explain the different types of Inflation.
20. What are the major subjective factors that determine consumption?
21. Give a note on Keynes Effect.
22. Explain the accelerator theory of investment?

(8 × 2 = 16 Marks)

SECTION – C

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

23. Write a short essay on Life Cycle hypothesis?
24. Explain the major causes of Trade cycles
25. What do you mean by Relative Income hypothesis?

26. Write a short essay on Phillip's Curve
27. Explain Demand Pull and Cost Push Inflation?
28. Point out the main objectives of Macroeconomic Policy.
29. Diagrammatically explain Inflationary Gap
30. Define Saving Paradox.
31. Explain the derivation of IS curve in the basic IS-LM model?

(6 × 4 = 24 Marks)

SECTION – D

Answer any **two** questions not exceeding **120** words. Each question carries **15** marks.

32. Give a detailed explanation of IS-LM model for a two sector economy.
33. Write an essay on Friedman's Restatement of Quantity theory of Money
34. Explain Hawtray's Theory of Trade Cycle.
35. What do you mean by Fiscal Policy and explain its major instruments.

(2 × 15 = 30 Marks)
