

(Pages : 4)

P – 2251

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

(2018 Admission)

Time : 3 Hours

Max. Marks : 80

SECTION – I

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

1. Accelerator
2. Autonomous investment
3. Galloping Inflation
4. Stagflation
5. Investment function
6. Super Multiplier
7. Permanent Income
8. Natural Rate of Unemployment
9. IS Curve
10. Deflation

(10 × 1 = 10 Marks)

P.T.O.

SECTION – II

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

11. Distinguish between Net and Replacement Investment.
12. Explain Fisher effect.
13. What are the main objectives of Fiscal Policy?
14. Write a short note related to the factors influencing the slope of the LM curve.
15. Explain the equilibrium in the Product Market.
16. What are the major determinants of consumption function?
17. Distinguish between Real and Nominal Rate of Interest.
18. Give a note on Consumption function Puzzle.
19. Briefly explain Inventory Investment.
20. Write a note on Cambridge version of money.
21. Distinguish between Net and Replacement Investment.
22. How does multiplier accelerator interaction cause trade cycles?
23. Define Bottleneck Inflation.
24. Explain Saving function and Saving paradox.
25. Explain the concept of Liquidity Trap.
26. What are the main determinants of investment?

(8 × 2 = 16 Marks)

SECTION – III

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

27. Explain Hick's theory of trade cycles?
28. Point out the prominent causes of Inflation.
29. Diagrammatically explain long run Phillips curve?
30. Give a note on Permanent Income Hypothesis?
31. Explain Multiplier and point out the main leakages of Multiplier.
32. Explain MBA hypothesis.
33. Give a short essay on Money Market Equilibrium.
34. Explain Hawtrey's theory of trade cycles?
35. Give a note on Monetarism.
36. Distinguish between Pigou Effect and Real Balance Effect?
37. Briefly examine the factors influencing the steepness of the IS curve.
38. Diagrammatically explain Deflationary Gap.

(6 × 4 = 24 Marks)

SECTION – IV

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

39. Explain Hayek's theory of trade cycle.
40. Write an essay on Quantity theory of Money?
41. Define Monetary Policy and explain its main instruments

42. Briefly explain various functions of money.
 43. Give a detailed explanation on Liquidity Preference theory.
 44. Define Business Cycle? Explain different Phases of Business Cycle
(2 × 15 = 30 Marks)
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