

QP CODE

T5032

Enrollment Number:

Name:

MA DEGREE EXAMINATIONS, MAY 2024

First Semester

M.A. Economics

M23EC02DC – Macroeconomics I

(2023 July admissions)

Time: 3 Hours

Max Marks: 70

Section A

Answer any ten of the following questions in a word or sentence each. Each question carries 1 mark.

1. Define investment.
2. What is Consumption function?
3. Describe fiscal policy.
4. Define bank rate.
5. What is flexible exchange rate system?
6. Define average propensity to consume.
7. Define IS curve.
8. Write any two instruments of monetary policy.
9. Who proposed the idea of wage cut to attain full employment?
10. What do you mean by inside money?
11. Define inflation.
12. What is the shape of long run Philips curve?
13. What is marginal propensity to save?
14. Name the leading economists behind DMP model.
15. What is stagflation?

(1X10=10)

Section B

Answer any five of the following questions in two or three sentences each. Each question carries 2 marks.

16. How demonstration effect influence an individual's consumption pattern?

17. Distinguish between short run and long run consumption function.
18. What is Tobin's q theory of investment?
19. What you mean by narrow money?
20. Define high powered money.
21. What is reverse repo rate?
22. State natural rate of unemployment.
23. Define Keynes effect.
24. Explain consumption puzzle.
25. Distinguish between CRR and SLR.

(2X5=10)

Section C

Answer any five of the following questions in a paragraph each. Each question carries 4 marks.

26. Explain accelerator theory of investment.
27. Highlight the measures of money supply and its components.
28. Bring out the implications of liquidity trap.
29. Briefly explain main features of Friedman's restatement of the quantity theory of money.
30. How can the theoretical version of the IS-LM model be practically applied to analyse and understand real economic situations?
31. What were the key aspects of the 2008 financial crisis and how did Federal Reserve responded to address the crisis?
32. Explain the Neo classical theory of investment.
33. Diagrammatically explain the Philips curve.

(4X5=20)

Section D

Answer any three of the following questions in two pages each. Each question carries 10 marks.

34. Compare and contrast relative income hypothesis with life cycle hypothesis.
35. Explain Keynesian liquidity preference theory of rate of interest.
36. Evaluate the effectiveness of monetary and fiscal policy in the IS-LM context.
37. Explain quantitative and qualitative credit control measures.
38. Discuss money multiplier and its determination process.
39. Critically evaluate the classical theory of output and employment.

(10X3=30)