

**FIRST SEMESTER M.A./M.Sc./M.Com. DEGREE EXAMINATION
DECEMBER 2019**

(CBCSS)

Economics

ECO 1C 02—MACRO ECONOMICS : THEORIES AND POLICIES—I

(2019 Admissions)

Time : Three Hours

Maximum : 30 Weightage

Part A (Short Answer Type Questions)

Answer any four questions.

Each question carries 2 weightage.

1. What is meant by consumption puzzle ?
2. Define Tobin's Q Ratio.
3. What is H (high powered money) ? Write its components.
4. State NAIRU.
5. What is Okun's law ?
6. What is meant by crowding out effect ?
7. Distinguish between target variable and instrument variable

(4 × 2 = 8 weightage)

Part B (Paragraph Type Questions)

Answer any four questions.

Each question carries 3 weightage.

8. Explain Permanent Income Hypothesis.
9. Illustrate money multiplier process.
10. Distinguish MEC and MEI approaches to investment function.
11. Explain Adaptive expectation hypothesis.
12. Explain real business cycle theory.

13. Describe the Keynesian version of the three sector macro model.
14. Explain inter-temporal choice model.

(4 × 3 = 12 weightage)

Part C (Essay Type Questions)

Answer any two questions.

Each question carries 5 weightage.

15. Describe the critiques of Phillips Curve. Bring out the significance of inflation unemployment trade-off analysis in a developing economy like India.
16. Elasticity of IS and LM Curves determines the relative effectiveness of monetary and fiscal policies. Illustrate.
17. Elucidate your arguments on Central Bank Autonomy in the light of recent changes taking place in Indian macro economy and RBI.
18. Compare and contrast different approaches to demand for money.

(2 × 5 = 10 weightage)