D 140915 **(Pages : 2)** **Name...**

Reg. No....................................

FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
APRIL 2026

Economics

ECO 4B 06—MACROECONOMICS—II

(2019 Syllabus)

Time : Two Hours and a Half Maximum : 80 Marks

Section A (Short Answer Questions)

Maximum marks in this Section is 25.
Students can attempt **all** *questions.*
Each question carries a maximum of 2 marks.

1. Demand pull and cost push inflation.
2. Quantitative easing.
3. Inflationary gap.
4. Subprime mortgage.
5. Expansionary and contractionary fiscal policies.
6. Phases of business cycle.
7. Okun's Law.
8. Liquidity trap.
9. NAIRU.
10. Incomes policy.
11. Built-in-flexibility.
12. Three stages of LM curve.
13. Wholesale price index.
14. Cyclical unemployment.
15. Menu costs.

Turn over

Section B (Short Essay/Paragraph Questions)

Maximum marks in this Section is 35.
Students can attempt **all** *questions.*
Each question carries a maximum of 5 *marks.*

16. Examine the effectiveness of monetary and fiscal policies with the help of IS-LM model.
17. Write a note on Great Recession of 2008.
18. Explain Stagflation. What are the causes and effects of stagflation ?
19. Discuss the measurement of unemployment in India.
20. Evaluate Keynesian views of business cycle.
21. Derive IS curve. What causes the shifts in the IS curve ?
22. Explain various types of inflation.
23. Define unconventional monetary policy. What are the types of unconventional monetary policies ?

Section C (Long Essay Questions)

Answer any **two** *questions.*
Each question carries a maximum of 10 *marks.*

24. Differentiate between goods market and money market. Explain the general equilibrium in a three sector IS-LM model.
25. Compare and contrast the trade cycle theories by Hicks and Hawtrey.
26. Define Philips curve. Examine the nature of trade-off between inflation and unemployment in short run and long run.
27. What are the major instruments of monetary policy ? Evaluate the effectiveness of monetary tools during recession.

(2 × 10 = 20 marks)