Reg. No. : ....

Name : ....

Third Semester M.A. Degree Examination, March 2022

Economics

EC 231 : MACRO ECONOMICS – I

(2018 Admission Onwards)

Time : 3 Hours　　　　　　　　　　　　　　　　　　Max. Marks : 75

I.　Answer **all** questions. **Each** question carries **1** mark.

1.　BOP function.

2.　Investment function

3.　Drift hypothesis of consumption

4.　Intertemporal choice model

5.　Crowding out of investment

6.　Fiscal policy

7.　Financial theory of investment.

8.　Real balance effect.

9.　Accelerator theory.

10.　Inside outside money.

(10 × 1 = 10 Marks)

P.T.O.

II. Answer any **seven** questions. **Each** answer should not exceed **500** words.

11. Explain the market clearing and non market clearing approaches to macro economics.

12. Explain Friedman income theory of consumption.

13. Briefly explain the Keynesian theory of Investment.

14. Discuss the concept of asymmetric information and irreversible investment,

15. Explain the methods of monetary control.

16. Explain the behavioural model of money supply determination.

17. Write a note on the Tobin's q-ratio of investment.

18. Examine the modern monetary theory of Randall and Wray.

19. Discuss the Baumol's approach to demand for money.

20. Elucidate the shift in IS curve with the fiscal policy in a three sector economy.

(7 × 5 = 35 Marks)

III. Answer any **three** questions. **Each** answer should not exceed **1200** words.

21. Explain the Keynesian version of ISLM model.

22. Explain the Mundel- Fleming Keynesian model with fixed and flexible exchange rate with capital mobility.

23. What is consumption function? Briefly explain the current income theories of consumption.

24. Critically evaluate the accelerator theory of Investment.

25. Explain the neoclassical policy analysis with ISLM functions.

(3 × 10 = 30 Marks)

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