

(Pages : 3)

J – 4798

Reg. No. :

Name :

Fourth Semester M.A. Degree Examination, May 2020

Branch : Economics

EC 241 – MACRO ECONOMICS – II

(2018 Admission)

Time : 3 Hours

Max. Marks : 75

PART – A

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

1. Seigniorae.
2. The Keynesian cross.
3. Solow Residual.
4. Inflation inertia.
5. Lucas critique.
6. Natural rate hypothesis.
7. Sacrifice ratio.
8. Automatic stabilizers.
9. Classical dichotomy.
10. Ricardian equivalence.

(10 × 1 = 10 Marks)

P.T.O.



PART – B

Answer **any seven** questions. Answer should not exceed 500 words. Each question carries **5** marks.

11. “The Philips curve is merely a convenient way to express and analyse aggregate supply” Elucidate.
12. Write a note on inside lag and outside lag in relation to stabilisation policy.
13. What do you mean by real rigidities? Examine the causes of real rigidities in the product market.
14. Examine the concept of Dynamically Stochastic General Equilibrium Model.
15. Explain the dual decision hypothesis.
16. Explain the idea of co-ordination failure. What are its consequences?
17. Examine the chief theoretical tools of new classical macro economics.
18. Write a note on the New Neoclassical synthesis.
19. What is Okun’s Law? Explain.
20. Examine the Efficiency Wage Hypothesis.

(7 × 5 = 35 Marks)

PART – C

Answer **any three** questions. Answer should not exceed 1,200 words. Each question carries **10** marks.

21. Examine the alternative views on government debt.
22. Examine briefly the Real Business Cycle Model.



23. Critically examine the Rational Expectations Hypothesis and its policy implications.
24. Examine the fundamental arguments of the Post Keynesian macroeconomics
25. *“Inflation is always and everywhere a monetary phenomenon”* Do you agree? Explain Why?

(3 × 10 = 30 Marks)

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