

Reg. No. :

Name :

Fourth Semester M.A. Degree Examination, September 2019

Economics

EC 241 : MACRO ECONOMICS – II

(2013 Admission Onwards)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Define the following in **one** or **two** sentences:

1. Natural rate of unemployment
2. Hysteresis
3. Real Business cycle theory
4. Propagation mechanism
5. Hyper inflation
6. New Classical Proposition
7. Backward and forward looking expectation
8. Laffer curve
9. Fisher Effects
10. Fiscal policy.

(10 × 1 = 10 Marks)



SECTION – B

Answer **any seven** of the following Questions. Each answer not exceeding **500** words.

11. Write a note on inflation targeting.
12. Explain augmented Philips curve.
13. Explain the features of new classical macro economics.
14. What are the different phases of business cycle?
15. What are the causes of inflation?
16. Explain the importance of rational expectations.
17. What is crowding out effect?
18. Explain Time inconsistency proposition.
19. Explain Barrow- Ricardian equivalence theorem.
20. Explain Okun's Law.

(7 × 5 = 35 Marks)

SECTION C

Answer **any three** of the following Questions. Each answer not exceeding **1200** words.

21. Explain briefly the essence of Quantity constrained Models.
22. Discuss the strategies to reduce inflation.



23. Critically review Samuelsson's theory of trade cycle.
24. Explain the modern concerns regarding the conduct of Monetary policy.
25. Critically examine the theoretical views on achieving growth and stability in a modern economy.

(3 × 10 = 30 Marks)

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