Reg. No. : ....

Name : ....

Third Semester M.A. Degree Examination, February 2021

Economics

EC 231 : MACRO ECONOMICS – I

(2018 Admission Onwards)

Time : 3 Hours　　　　　　　　　　　　　　　　　　　　　Max. Marks : 75

SECTION – A

I. Answer **all** questions from this section. Each question carries **1** mark.

1. Market clearing approach.

2. Monetary policy.

3. Consumption puzzle.

4. Random walk hypothesis.

5. Balance of Payment.

6. Money multiplier

7. Fisher effect.

8. Exchange rate.

9. MEC.

10. Tobin's q-ratio.

(10 × 1 = 10 Marks)

SECTION – B

II   Answer **any seven** questions. Each question carries **5** marks.

11. Distinguish between market clearing and Non-market clearing approaches.

12. Using the ISLM framework, explain the effectiveness of fiscal policy.

13. Compare and contrast the neo classical and Keynesian theory of labour market.

14. Give a brief account of the acceleration theory of investment.

15. Critically evaluate MEC and Keynesian theory of investment.

16. Explain Patinkin's Real balance effect.

17. What do you mean by Quantity theory of money?

18. What are the different methods of monetary control in India and explain it?

19. Explain fixed and flexible exchange of capital mobility with the extension of monetary and fiscal policy.

20. Write a short note on balance of payment conditions in current India and explain the consequences in BoP.

(7 × 5 = 35 Marks)

SECTION – C

III.   Answer **any three** questions. Each question carries **10** marks.

21. Briefly explain macroeconomic thoughts and explain determination of output, employment and price level in classical and Keynesian model.

22. Explain the three-sector ISLM model.

23. Explain Neo-classical theory of investment. To what extend it differ from accelerator theory of investment.

24. Explain Mundell- Fleming model.

25. Compare and contrast Tobin and Baumol approaches on demand for money.

(3 × 10 = 30 Marks)

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