E 3712

00003712

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, NOVEMBER 2022

Fourth Semester

B.A. Economics (Model II)

Core Course—MACRO ECONOMIC ANALYSIS

(2013—2016 Admissions)

Time : Three Hours   Maximum Marks : 80

Part A (Definition Type Questions)

Answer **all** *the questions in* **one sentence** *each.*
Each question carries 1 *mark.*

Define the following :

1. Marginal Propensity to consume.

2. Consumption function.

3. Investment.

4. Inflation.

5. Multiplier.

6. M1.

7. Macroeconomics.

8. Speculative demand for money.

9. Marginal Efficiency of capital.

10. Monetary Policy.

$(10 \times 1 = 10)$

Part B

Answer any **eight** *of the following questions in* **a paragraph** *each.*
Not exceeding 100 *words.*
Each question carries 2 *marks.*

11. Write a note on Permanent and Transitory Income.

12. Distinguish between Gross and Net Investment.

Turn over

E 3712

13. Functions of Money.

14. Trade Cycle.

15. Accelerator Principle.

16. Different Measures of Money Supply.

17. Deflationary Gap.

18. Contractionary fiscal policy.

19. Liquidity Trap.

20. Inflation.

21. Aggregate demand.

22. LM Curve.

(8 × 2 = 16)

Part C (Short Essays)

Answer any **six** *of the following questions in* **one and a half page** *each.*
(*Not exceeding* 150 *words*).
Each question carries 4 *marks.*

23. Explain Quantity Theory of Money.

24. Distinguish between Autonomous and Induced investment.

25. Explain super multiplier.

26. Discuss Portfolio theory of demand for money.

27. Explain Life Cycle Hypothesis.

28. Write a note on cost push inflation.

29. Discuss the objectives of Fiscal Policy.

30. Explain Crowding Out.

31. What are the effects of inflation ?

(6 × 4 = 24)

Part D (Long Essays)

Answer any **two** *of the following questions.*
(*Not exceeding* **four pages** *each*).

Each question carries 15 *marks.*

32. Discuss various types inflation. Discuss their causes and remedies.

33. Critically evaluate Absolute Income Hypothesis.

34. Discuss the objectives and instruments of Monetary Policy.

35. Illustrate ISLM Model.

$(2 \times 15 = 30)$