M 6392

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IV Semester B.A. Degree (CCSS – Regular/ Suppl./Impr.) Examination, May 2014 (2012 Admn.)

CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS 4 B05-ECO : Macro Economic Analysis – II

Time: 3 Hours

Max. Weightage: 30

Instruction : Answer may be written either in English or in Malayalam.

PART-A

Objective type questions (in bunches of two):

- I. Choose the correct answer:
 - 1) Which of the following factors creates demand full situation?
 - a) Increase in production
 - b) Increase in money income
 - c) Increase in cost of production
 - d) None of these
 - Rate at which the Central Bank rediscounts the bills of exchange presented by the commercial banks.
 - a) CRR

b) SLR

c) Bank Rate

- d) None of these
- 3) Philips curve shows
 - a) A positive relationship between the rate of inflation and the nominal wage
 - b) An inverse relationship between the rate of inflation and the nominal wage
 - c) An inverse relationship between the rate of inflation and rate of unemployment
 - d) None of these

P.T.O.

II. 5) Which of the following is not an essential characteristic of business cycle?

c) Stable equilibrium

a) Recurrent in nature

b) Cumulative in effect

d) Unstable equilibrium

c) Regular

d) None of these

6) Which of the following is not included in the current account of balance of payments?

a) Merchandise

b) Travel and transportation

c) Transfer payments

d) Foreign investment

7) Increase in _____ creates demand pull situation.

a) Production

b) Money income

c) Cost of production

d) Demand for cash balance

8) Supply side economists assumes

a) Perfect competition

b) Wage and price flexibility

c) Upward sloping supply curve

d) All the above

 $(1 \times 1 = 1)$

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PART-B

Short answer questions. Answer any ten questions of the following not exceeding 50 words each. Each question carries 1 weightage.

- 9. Explain interaction between demand-pull and cost-push inflation.
- 10. Distinguish BOP and BOT.
- Explain supply side economics.
- 12. Explain Fiscal Policy.
- 13. Hawtrey's theory of business cycle.
- 14. Explain Philips curve.

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- 15. What is Keynesian cross?
- 16. What is creeping inflation?
- 17. Explain the Laffer curve.
- 18. What is Super-Multiplier?
- 19. What is Macroeconomics?
- 20. What is Solow Growth Model?

 $(10 \times 1 = 10)$

PART-C

Short essay. Answer any five questions not exceeding 150 words each. Each question carries 2 weightage.

- 21. Explain the types of inflation.
- 22. Explain Cobweb theorem.
- 23. Explain Neo-Classical growth model.
- 24. State the determinants of economic growth.
- Explain the Marxian theory of economic instability.
- 26. Explain Hick's theory of business cycle.
- 27. Explain Joan-Robinson's Golden Rule.

 $(5 \times 2 = 10)$

PART-D

Long Essay. Answer any two questions not exceeding 450 words each. Each question carries 4 weightage.

- 28. Explain Harrod-Domar Growth model.
- 29. Explain short run and long run Philips curves.
- 30. Explain the objectives and limitations of monetary policy.
- 31. Explain New-classical macroeconomics.

 $(2 \times 4 = 8)$