



M 8420

Reg. No. :

Name :

IV Semester B.A. Degree (CCSS – Reg./Supple./Improv.)
Examination, May 2015
CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
4B05 ECO : Macro Economic Analysis – II
(2011 and Earlier Admissions)

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) The shape of the long run Phillips curve is
 - a) downward sloping
 - b) vertical straight line
 - c) upward sloping
 - d) none of these
- 2) When an increase in Government spending is matched by an equal decrease in Government transfer, the income level will
 - a) Stay the same
 - b) increase
 - c) decrease
 - d) none of these
- 3) The cash which banks have to maintain with RBI as a certain percentage of their demand and time liabilities is
 - a) CRR
 - b) SLR
 - c) Bank rate
 - d) Repo rate
- 4) According to whom monetary theory of business cycles relates to the economy which is under Gold standard
 - a) Hawtrey
 - b) Schumpeter
 - c) Kalder
 - d) Hicks

(Weightage 1)

- II. 5) In _____ phase of business cycle, both output and employment increase till we have full employment of resources.
 - a) Recession
 - b) Revival
 - c) Boom
 - d) Depression
- 6) _____ curve shows the relationship between tax rates and the total tax revenue collected.
 - a) Phillips
 - b) Demand
 - c) Supply
 - d) Laffer

P.T.O.



- 7) Economic stability at a high level of output and employment in the goal of
- | | |
|--------------------|------------------|
| a) Monetary policy | b) fiscal policy |
| c) tax policy | d) none of these |
- 8) The balanced budget multiplier is
- | | |
|---------------------|------------------|
| a) greater than one | b) less than one |
| c) equal to one | d) none of these |

(Weightage 1)

PART – B

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

9. What is Adaptive Expectations ?
10. Define CRR.
11. What is Cost push inflation ?
12. Explain Economic Development.
13. Explain Depression.
14. Define High Powered Money.
15. What is Inflationary gap ?
16. Define Natural Rate of Unemployment.
17. What is business cycle ?
18. Explain Harrod's Actual growth rate.
19. Define crowding out effect.
20. Distinguish between invention and innovation.

(Weightage 10×1=10)

PART – C

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

21. Explain new classical macro economics.
22. Explain Fiscal Policy and its instruments.



23. What are the effects of inflation ?
24. What are the features of supply side economics ?
25. Explain Hawtrey's Monetary Theory of business cycles.
26. What are the factors determining growth ?
27. Explain the classical theory of growth by Solow.

(Weightage 5×2=10)

PART – D

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

28. Explain the theories of Business cycle.
29. Explain Phillips wave.
30. Explain New Classical Macro Economics. What are its policy implications ?
31. Explain Kaldor's theory of distribution. Explain Joan Robinson's Golden rule of capital accumulation.

(Weightage 2×4=8)