



Reg. No. :

Name :

IV Semester B.A. Degree (CCSS – Supple./Imp.) Examination, May 2016
 CORE COURSE IN ECONOMICS/DEVELOPMENT ECONOMICS
 4B05 ECO : Macro Economic Analysis – II
 (2012 and 13 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) New classical Macro Economics views a _____ aggregate supply curve as a short-run phenomenon.

a) Negatively sloped	b) Positively sloped
c) Vertical	d) Horizontal
- 2) The trade-off between inflation and unemployment is

a) Inflation	b) Deflation
c) Philips curve	d) None of these
- 3) Sale and purchase of Government securities and Treasury bills by the Central Bank of the country

a) Open market operations	b) CRR
c) SLR	d) Bank rate
- 4) Which of the following has not been considered in Harrod's growth model ?

a) Natural rate of growth	b) Warranted rate of growth
c) Actual rate of growth	d) Minimum rate of growth

(Weightage : 1)

P.T.O.



- II. 5) Which of the following theories of business cycle has been given by Hawtrey ?
- a) Purely monetary b) Monetary Over-investment
c) Real over-investment d) Under-consumption
- 6) _____ shows its trade transactions with the rest of the world during the course of a year.
- a) BOP b) BOT
c) Both of them d) None of these
- 7) Crowding out effect involves an increase in government spending which results into
- a) Increase in prices b) Reduction in private investment
c) Increase in private investment d) Reduction in interest rates
- 8) The principle of balance growth is supported by
- a) Ranger Nurkse b) Hans Singer
c) A. O. Hirschman 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. Explain Phillips Curve.
10. Explain Open Market Operations.
11. Explain Multiplier – Accelerator interaction.
12. Explain the phases of business cycle.
13. What is Crowding-Out ?
14. What is Inflationary-gap ?
15. What is Hyper Inflation ?
16. Define Growth.



17. What is Accelerator ?
18. What is Boom ?
19. What is M.E.C. ?
20. What is Stagflation ?

(Weightage : 1×10=10)

PART – C
(Short Essay)

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

21. Explain inflation and Economic development.
22. Explain the limitations and effectiveness of monetary policy.
23. What are the Rostow's stages of Economic growth ?
24. Explain long run Phillips curve.
25. Explain the Innovation theory of Business Cycle.
26. Explain the measures to control Business Cycles.
27. Explain classical Growth Theory by Solow.

(Weightage : 2×5=10)

PART – D
(Long Essay)

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

28. Explain New Classical Macro-economics.
29. What are the theories of Business cycle ?
30. Explain the theories of Inflation.
31. Explain the theory of distribution.

(Weightage : 4×2=8)