S.No. 1073 **P 16 EC 23**

(For candidates admitted from 2016–2017 onwards)

M.A. DEGREE EXAMINATION, NOVEMBER 2022.

Economics

MACRO ECONOMICS II

Time : Three hours Maximum : 75 marks

PART A — ($10 \times 2 = 20$)

Answer ALL questions.

1. What is real business cycle?

2. Give any two micro foundations.

3. What is the main goal of stabilization policy?

4. Point out the effects of lags.

5. Define oakum's law.

6. What is crowding effect?

7. State the meaning of involuntary unemployment.

8. Define inflationary gap.

9. What do you mean by exchange rate?

10. State the concept of balance of payments.

PART B — (5 × 5 = 25)

Answer ALL questions, choosing either (a) or (b).

11. (a) Write a note on labour market.

Or

(b) State the principles of new classical macro economics.

12. (a) Briefly discuss the propositions of rational expectation.

Or

(b) Narrate the rule versus discretion policy.

13. (a) Write a short note on structural inflation.

Or

(b) Describe the crowding out fiscal policy.

14. (a) Bring out the main features of Keynesian view.

Or

(b) Narrate the effective demand.

15. (a) Write a short note on monetary policy.

Or

(b) State the disadvantages of flexible exchange rate.

PART C — (3 × 10 = 30)

Answer any THREE questions.

16. Elucidate the importance of new classical and the various policy implications of new classical approach.

17. Describe the short run Philip curve with relevant diagrams.

18. Discuss the effects of inflation and its guidelines.

19. Illustrate the walrasian equilibrium model.

20. Explain the monetary approach to balance of payment with relevant diagrams.

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