

D 53895

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Name.....

Reg. No.....

**FIRST SEMESTER P.G. DEGREE EXAMINATION
NOVEMBER 2023**

(CCSS)

Economics

ECO 1C 02—MACRO ECONOMIC THEORY AND POLICY

(2022 Admissions)

Time : Three Hours

Maximum : 50 Marks

Part A (Multiple Choice Questions)

*Answer all questions.**Each question carries 1 mark.*

1. If LM curve is more elastic (flat) then fiscal policy would be :
 - (a) More effective
 - (b) Less effective.
 - (c) Perfectly effective.
 - (d) Perfectly ineffective.
2. Which agency regulates the money supply in India ?
 - (a) The Government of India.
 - (b) Commercial banks.
 - (c) Reserve Bank of India.
 - (d) None of the above.
3. Speculative demand for money is a function of :
 - (a) Income
 - (b) Rate of interest.
 - (c) Profit.
 - (d) Saving.
4. A temporary unemployment which exists during the period of the transfer of labor from one occupation to another is called :
 - (a) Voluntary Unemployment.
 - (b) Involuntary Unemployment.
 - (c) Cyclical Unemployment.
 - (d) Frictional Unemployment.

Turn over

5. Accelerator measures :

- (a) Change in consumption due to change in income.
- (b) Change in income due to change in investment.
- (c) Change in investment due to change in income.
- (d) Change in savings due to change in income.

(5 × 1 = 5 marks)

Part B (Very Short Answer Questions)

*Answer in one **or** two sentences each.*

*Answer any **five** questions.*

Each question carries 1 mark.

- 6. Define BOP.
- 7. Briefly explain MPC and MPS
- 8. What do you mean by the crowding out effect ?
- 9. What is Seigniorage ?
- 10. Briefly explain the concept of Broad money and Narrow money.
- 11. Define Consumer price index.
- 12. Explain Keynes effect.
- 13. What is transitory income ?

(5 × 1 = 5 marks)

Part C (Short Answer Questions)

*Answer any **six** questions.*

Each question carries 4 marks.

- 14. Analyse Schumpeter's Innovation theory of trade cycle.
- 15. What do you mean by Business Cycles ? Explain the major phases of a Business Cycle.
- 16. Analyse Tobin's portfolio theory of money demand.
- 17. Write a short note on NSSO and CSO.
- 18. What is Kaldor's model of trade cycle ?

19. Explain Fisher's inter temporal choice model.
20. Discuss major types of unemployment.
21. Analyse Permanent income hypothesis.
22. Explain the H theory of money supply.

(6 × 4 = 24 marks)

Part D (Essay Type Questions)

*Answer any **two** questions.*

Each question carries 8 marks.

23. Discuss the basic IS-LM model and analyse the factors causing shift in the IS curve.
24. Critically evaluate Post Keynesian approaches to demand for money.
25. State and explain any three consumption hypotheses.
26. Critically examine real business cycle theory.

(2 × 8 = 16 marks)