

QP CODE: 18103542



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Reg No :

Name :

BA DEGREE (CBCS) EXAMINATION, NOVEMBER 2018

Third Semester

CORE COURSE - EC3CRT01 - MACRO ECONOMICS - II

(Common to B.A Economics Model II Foreign Trade, B.A Economics Model II Insurance)

(2017 Admission Onwards)

211D893C

Maximum Marks: 80

Time: 3 Hours

Part A

Answer any **ten** questions.

Each question carries **2** marks.

1. Consumption Puzzle.
2. How does ratchet effect changes an individual's consumption pattern?
3. Social Capital.
4. Net Present Value Criterion.
5. Keynes effect
6. What is slump flation ?
7. Natural rate of unemployment.
8. What is the transaction motive for demand for money ?
9. Stagflation.
10. Monetary policy.
11. Financial crisis.
12. Supplside economics.

(10×2=20)

Part B

Answer any **six** questions.

Each question carries **5** marks.

13. What is accelerator theory of investment?
14. Bringout the relevance of Tobin's q thoery in an investor's decision to invest.
15. Explain liquidity trap with the help of a suitable diagramme.
16. Define money.What are the primary functions of money?

17. What are the different measures of money supply?What are it's components ?



18. Elucidate the different methods to control inflation.
19. Examine the significance of natural rate of unemployment.
20. Differentiate demand pull and cost push inflation.
21. Describe the major features of supply side economics.

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Compare and contrast absolute income hypothesis with relative income hypothesis.
23. Compare and contrast the consumption theories absolute income hypothesis and life cycle hypothesis.
24. Why the long run Phillips curve becomes vertical? Evaluate with the help of a diagram.
25. Explain Friedman's restatement of quantity theory of money.

(2×15=30)