

E 6164

(Pages : 2)

Reg. No.....

Name.....

B.A. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2017

Fourth Semester

B.A. Economics — Model II

Core Course—MACRO ECONOMIC ANALYSIS

(2013 Admission onwards)

Time : Three Hours

Maximum : 80 Marks

Answers may be written either in English or in Malayalam.

Part A (Short Answer Questions)

Answer all the following questions in one sentence each

Each question carries 1 mark.

- | | |
|------------------------------------|------------------------|
| 1. Marginal propensity to consume. | 2. Transaction motive. |
| 3. Marginal efficiency of capital. | 4. Investment. |
| 5. Liquidity trap. | 6. Accelerator. |
| 7. Net investment. | 8. Creeping inflation. |
| 9. Fiscal policy. | 10. L.M. Curve. |

(10 × 1 = 10)

Part B

Answer any eight of the following.

Each question carries 2 marks.

11. What is aggregate propensity to consume ?
12. Relationship between income and investment.
13. What is induced investment ?
14. What is acceleration theory of investment ?
15. State the significance of acceleration principle.
16. What is wage induced inflation ?
17. Explain the forms of money.
18. What is depression ?
19. Explain the slope of the IS curve.
20. Explain price stability as macro economic policy.
21. Explain the state of recession in trade cycle.
22. Explain bank rate policy as an instrument of monetary policy.

(8 × 2 = 16)

Turn over

Part C (Short Essay)

*Answer any six of the following.
Each question carries 4 marks.*

23. Explain permanent income hypothesis.
24. Explain the factors determining consumption function.
25. Explain Fisher's version of quantity theory of money.
26. What is meant by built-in stabilizers ?
27. Explain high power money and its constituents.
28. Explain effects of inflation on farmers.
29. What is trade-off between inflation and employment ?
30. Explain crowding out effect.
31. Explain demand pull inflation.

(6 × 4 = 24)

Part D

*Answer any two of the following.
Each question carries 15 marks.*

32. Explain the multiples accelerator interest and give its uses in business cycle.
33. Through IS-LM framework analyse the effects of an autonomous increase in investment.
34. Explain Hayek theory of trade cycle.
35. Explain monetary policy in bringing stability in the economy.

(2 × 15 = 30)