M. A. DEGREE (C.S.S.) EXAMINATION, NOVEMBER 2017
SEMESTER I – ECONOMICS
(2017 Admission Regular, 2016 Admission Suppplementary/Improvement &
2015 Admission Supplementary)
EC1C02M - MACROECONOMIC THEORY AND POLICY

Time: Three Hours   **Maximum Marks: 75**

PART A

I.   Answer any five questions. Each question carries 3 marks.

1. What condition is required for the LM schedule to be vertical and to be horizontal?
2. Explain IS-LM one sector model.
3. What is real Balance effect?
4. What are the factors that cause shifts in the MEC?
5. What is the speciality of Keynesian labour market theory?
6. Define search friction
7. Accelerator

                                                                    (5x3=15)

PART B

II.   Answer any six questions. Each question carries 5 marks.

8.   What is Ricardian equivalence?
9.   Explain Keynesian cross.
10. Briefly analyse classical theory using IS LM.
11. Describe about Kuznets Consumption Puzzle.
12. Enumerate on Life cycle hypothesis.
13. Outline the importance of search theories.
14. DMP Model- explain.
15. Examine Hicks Trade cycle.
16. Comment on Political business cycle.

                                                                    (6x5=30)

PART C

III.   Answer any two questions. Each question carries 15 marks.

17. Critically analyze Keynesian theory using IS LM.
18. Examine in detail the Neo classical synthesis.
19. Analyse the post Keynesian theories of investment.
20. Explain the reasons for current global recession and crisis.

                                                                    (2x15=30)