

TM211170TR

Reg. No : .....

Name : .....

**M. A. DEGREE (C.S.S.) EXAMINATION, NOVEMBER 2021**  
**[ 2021 Admissions Regular and 2020 Admissions Improvement & Supplementary ]**  
**SEMESTER I - CORE COURSE ( ECONOMICS )**  
**EC1C02TM20 - MACROECONOMICS-I**

Time : 3 Hours

Maximum Weight : 30

**Part A**

**I. Answer any Eight questions. Each question carries 1 weight**

**(8x1=8)**

1. Examine flexible price model.
2. Examine built in stabilizers.
3. Enumerate two postulates of classical theory.
4. Outline the essence of Taylors rule.
5. Comment on adaptive expectation hypothesis.
6. Summarize the central tents of the quantity theory of money approach to macro economic analysis in the mid 1960s.
7. The German hyperinflation of 1921–1923 provides important support for the view that high money growth causes high inflation – what is the reason ?
8. Comment on the following year output money supply Average prices 1 1000 10000 10 2 1000 15000 15 find out the inflation rate
9. What are normal income theories?
10. What do you mean by rational choice?

**Part B**

**II. Answer any Six questions. Each question carries 2 weight**

**(6x2=12)**

11. Examine the methods to contain inflation in an economy .
12. State and Explain the unemployment inflation relation .
13. Discuss the cost of alternative policy options of gradualism vs cold turkey in reducing inflation .
14. Explain the contribution of Friedman and Phelps to the Philips curve literature.
15. Explain the buffer stock demand for money in detail.
16. Examine the Baumol model.
17. Explain the current income theories.
18. Examine Tobins Q ratio in detail.

**Part C**

**III. Answer any Two questions. Each question carries 5 weight**

**(2x5=10)**

19. Critically examine the classical versus Keynesian approach .
20. How Friedman and Phelps challenged the notion of a stable relationship between inflation and unemployment?  
Discuss.
21. Explain in detail the RBI approach.
22. Do you agree that behavioral foundations of macroeconomics have been a milestone in the development of macroeconomics?

