

TB245230X

Reg. No : .....

Name : .....

BACHELOR'S DEGREE (C.B.C.S.) EXAMINATION, FEBRUARY 2024

2021 ADMISSIONS SUPPLEMENTARY (SAY)

SEMESTER V - CORE COURSE (ECONOMICS )

EC5B09B18 - Macro Economics - II

Time : 3 Hours

Maximum Marks : 80

**Part A**

**I. Answer any Ten questions. Each question carries 2 marks**

**(10x2=20)**

1. What is Ratchet Effect?
2. What is 'drift' hypothesis?
3. What is Say's law?
4. What is 'real balance' according to Keynes?
5. What is 'liquidity trap'?
6. What is cost push inflation?
7. Define money Demand
8. Define structural inflation.
9. Define financial crisis.
10. What are stabilization policies?
11. What is Lucas Critique?
12. Keynesians- who are they?



**Part B**

**II. Answer any Six questions. Each question carries 5 marks**

**(6x5=30)**

13. Explain Kuznet paradox.
14. Discuss absolute income hypothesis.
15. Explain Liquidity preference theory of interest.
16. Critically explain Fisher's version of quantity theory of money.
17. What is wage inflation?
18. What is the cost of inflation?
19. Explain passive stabilization policy.
20. Explain restatement of quantity theory of money.
21. Examine adaptive expectation hypothesis.

**Part C**

**III. Answer any Two questions. Each question carries 15 marks**

**(2x15=30)**

22. Summarize Friedman's PIH.
23. Explain in detail the causes and consequences of Inflation .
24. Critically examine the financial crisis which has occurred over the decades and also discuss the regulatory response by various governments.
25. Explain the concept of new classical economics. What are their major contributions?