

TB255622I

Reg. No : .....

Name : .....

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

**2022 ADMISSIONS REGULAR**

**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. Define Accelerator.
2. What is Ratchet Effect?
3. What is Say's law?
4. What is 'liquidity trap'?
5. Write cash transaction equation.
6. What is debt financing?
7. What is M2?
8. Define money Demand
9. What is IS curve?
10. Define trade cycle.
11. Explain the concept of nominal wage.
12. What do you mean by tax cut policy?

**Part B**

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

**(6x5=30)**

13. Distinguish between MEC&MEI.
14. Distinguish between short run & long run consumption function.
15. Write similarities and dissimilarities of cash transaction and cash balance approach.
16. Explain effect of changes in price level on goods market spending via changes in interest rates.
17. Examine deflationary gap.
18. Is natural rate of unemployment important? why?
19. What do you mean by seasonal fluctuation?
20. Examine adaptive expectation hypothesis.
21. What is nominal wage rigidity?

**Part C**

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

**(2x15=30)**

22. Critically examine Accelerator theory of investment.
23. Critically examine the role of money supply in India.
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?