

**B.A. DEGREE (C.B.C.S.S) EXAMINATION, MARCH 2025**  
**(2017 & 2016 Admissions Supplementary)**  
**SEMESTER IV - CORE COURSE (ECONOMICS)**  
**EC4B05B - MACRO ECONOMIC ANALYSIS**

**Time: Three Hours****Maximum Marks: 80****PART A****I. Answer all questions. Each question carries 1 mark.**

1. State the Psychological law of consumption.
2. Define IS curve.
3. Who developed Life cycle hypothesis?
4. Define inflation.
5. List out the types of inflation.
6. Define MEC.

**(6x1=6)****PART B****II. Answer any seven questions. Each question carries 2 marks.**

7. Differentiate between gross investment and net investment.
8. List out the factors affecting autonomous investment.
9. What is monetary policy?
10. List out the types of inflation.
11. Differentiate between Autonomous and Induced Investment.
12. What is inflationary gap?
13. What is cost push inflation?
14. What is CRR?
15. What is bank rate ?
16. Define demand pull inflation.

**(7x2=14)****PART C****III. Answer any five questions. Each question carries 6 marks.**

17. Explain absolute income hypothesis.
18. Explain MEC.
19. Explain Absolute income hypothesis.
20. Examine Tobin's theory of demand for money.
21. Derive IS curve. What factors determine the slope of IS curve?
22. Briefly explain inflationary gap.

23. What are the instruments of monetary policy?
24. What are the instruments of fiscal policy?

**(5x6=30)**

#### **PART D**

**IV. Answer any two questions. Each question carries 15 marks.**

25. Explain Fried man's restatement of quantity theory of money.
26. Explain the IS-LM model.
27. Define Inflation. Examine the types and causes of inflation.
28. Explain the objectives and instruments of monetary policy.

**(2x15=30)**