

TB146310A

Reg. No.....

Name.....

B. A. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2017

SEMESTER VI - ECONOMICS

ECO6MEA - MACRO ECONOMIC ANALYSIS

Time: Three Hours

Maximum Marks: 80

PART A

I. Write short notes on all questions. Each question carries 1 mark.

1. Demonstration effect.
2. Accelerator
3. Bank rate
4. Money illusion
5. Inflation
6. Monetary policy
7. Consumption function
8. CRR
9. Built in stabilizer
10. Natural rate of unemployment

(10x1=10)

PART B

II. Answer any eight of the following. Each question carries 2 marks.

11. Income increases consumption also increases but less than that of it. Comment.
12. What are the different measures of money supply in India?
13. What do you mean by inflationary gap?
14. State primary functions of money.
15. How increased govt expenditure reducing private investment?
16. What are the different types of inflation?
17. State objectives of fiscal policy.
18. Write equilibrium condition in money market.
19. What do you mean by the term trade cycle?
20. From the given data, find APC and MPC.
Y: 120 180 240 300 360
C: 120 170 220 270 320
21. State the relationship between MPC&MPS.
22. What is money multiplier?

(8x2=16)

PART C

III. Answer any six of the following. Each question carries 4 marks.

23. Inflation is always and everywhere a monetary phenomenon. Explain this Friedman's view of demand pull inflation.
24. Discuss absolute income hypothesis.
25. In the long run Phillips curve is a vertical line at the natural rate of unemployment. Comment.
26. Discuss Baumol's approach to demand for money.
27. What are the instruments of monetary policy?
28. Comment on Friedman's restatement of quantity theory of money.
29. Explain the working of accelerator concept with an example
30. What are the different steps in the estimation MEC.
31. Briefly explain how inflation affects different sections of the society.

(6x4=24)

PART D

IV. Answer any two of the following. Each question carries 15 marks.

32. How subjective and objective factors influencing consumption. Explain.
33. There is a trade off between inflation and unemployment in the short run. Comment.
34. Write a note on Keynesian trade cycle theory.
35. Derive IS and LM curve and explain how equilibrium is determined in goods market and money market simultaneously.

(2x15=30)