

Reg. No. :

Name :

Third Semester M.A. Degree Examination, January 2020

Economics

EC 231 – MACRO ECONOMICS – I

(2018 Admission)

Time : 3 Hours

Max. Marks : 75

SECTION – A

- I. Answer **all** questions from this section. Each question carries **1** mark.
1. Effectiveness of fiscal policy.
 2. Random walk hypothesis.
 3. MEC
 4. Crowding out.
 5. Monetarism.
 6. Asset market equilibrium.
 7. Capital mobility.

P.T.O.



8. Impossible trinity.
9. Balance of payment.
10. Money supply.

(10 × 1 = 10 Marks)

SECTION – B

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

11. What are the main pillars of a classical school of macroeconomic thoughts.
12. Explain three-sector ISLM framework.
13. Briefly explain Kuznets consumption puzzle.
14. What do you mean by Fisher's intertemporal choice?
15. Distinguish between marginal efficiency of capital and marginal efficiency of investment.
16. Explain the theory of Randell Wray.
17. What are the different methods to monetary control?
18. Explain Fisher effect.
19. Compare and contrast classical and Keynesian labour market.
20. Explain monetary approach to Balance of Payment.

(7 × 5 = 35 Marks)



SECTION – C

- III. Answer **any three** questions. Each question carries **10** marks.
21. Using the ISLM framework, explain the effectiveness of fiscal and monetary policy.
 22. Explain the Neo-classical theory of investment. To what extent it differ from Keynesian theory of investment.
 23. Explain Keynesian and post Keynesian approaches on demand for money.
 24. Briefly explain fixed and flexible exchange of capital mobility and analyse the effectiveness of monetary and fiscal policy in capital mobility.
 25. Show how the interaction between multiplier and accelerator can be used to explain the trade cycle.

(3 × 10 = 30 Marks)

