



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – APRIL 2013

EC 5504 - MACRO ECONOMICS - II

Date: 08/05/2013
Time: 9:00 - 12:00

Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE questions in about 75 words each:

(5 x 4 = 20 marks)

1. Write a note absolute income theory.
2. Define stagflation and deficit induced inflation.
3. Explain the acceleration principle.
4. List the instruments of monetary policy.
5. Explain Inflationary gap.
6. Explain Kaldor's model of trade cycle.
7. Explain the concept of transitory income and permanent income.

PART – B

Answer any FOUR questions in about 300 words each:

(4 x 10 =40 marks)

8. Discuss the relative income hypothesis.
9. Explain cost-push inflation.
10. Write a note on Hayek monetary overinvestment theory of trade cycle.
11. Examine the effectiveness of monetary policy during inflation.
12. Enumerate the phases of a trade cycle.
13. Discuss the measures to control inflation.
14. Write a note on warranted rate of growth.

PART – C

Answer any TWO questions in about 900 words each:

(2 x 20 = 40 marks)

15. Discuss Harrod- Domar growth model.
16. Explain Samuleson's Multiplier-Acceleration model of business cycle.
17. Enumerate the effects of inflation on production and distribution.
18. Analyse the objectives and instruments of Fiscal policy.

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