



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – NOVEMBER 2011

EC 5504 - MACRO ECONOMICS - II

Date : 31-10-2011
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. Explain Permanent Income Hypothesis.
2. Briefly discuss Hawtrey's Theory of trade cycle.
3. Explain the term 'Recession'.
4. What is Demand-pull inflation?
5. Briefly state the causes of inflation.
6. Bring out the assumptions of Harrod-Domar model of growth.
7. Define Open Market Operations.

PART – B

Answer any FOUR questions in about 300 words each:

(4 X 10 = 40 marks)

8. Discuss Relative Income Hypothesis.
9. Analyse Schumpeter's Theory of Innovations.
10. Explain the phases of a trade cycle.
11. Discuss the reasons for inflation.
12. Examine the effects of inflation.
13. Explain Kaldor's model of distribution.
14. Examine the role of monetary policy in economic growth.

PART – C

Answer any TWO questions in about 900 words each:

(2 X 20 = 40 marks)

15. Evaluate Hicks's model of trade cycle.
16. Analyse the measures to control inflation.
17. Examine the Harrod-Domar's model of growth.
18. Discuss the role of fiscal policies in the economic development of developing countries.

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