



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – NOVEMBER 2013

EC 5504 – MACRO ECONOMICS - II

Date : 05/11/2013
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. Explain Absolute Income Hypothesis.
2. Define the term 'Depression'.
3. What is Multiplier? Explain.
4. Explain Demand Pull inflation.
5. Briefly explain the effect of inflation on production.
6. Define 'Natural Rate of Growth'.
7. Briefly state two effects of Bank Rate on the economy.

PART – B

Answer any FOUR questions in about 250 words each:

(4 X 10 = 40 Marks)

8. Analyse Permanent Income Hypothesis.
9. Discuss the process of Accelerator.
10. Explain Hawtrey's theory of trade cycle.
11. Examine the determinants of general price level.
12. Analyse the reasons for inflation, in general.
13. Explain Kaldor's model of income distribution.
14. Examine the role of open market operations in economic stability.

PART – C

Answer any TWO questions in about 900 words each:

(2 X 20 = 40 Marks)

15. Analyse Relative Income Hypothesis.
16. Critically evaluate the process of Multiplier with its assumptions, leakages and importance.
17. Critically examine the usefulness of various measures in containing inflation.
18. Discuss how monetary measures can be used to maintain economic growth and stability.

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