



Date: 23-10-2018  
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

**PART A**

**Answer any FIVE questions in about 75 words each (5 X 4 = 20 marks)**

1. What is meant by product market equilibrium?
2. State the causes for shift in the IS curve.
3. List out the various types of inflation.
4. What are the causes for inflation?
5. State the factors causing business cycle.
6. Define monetary policy and state its objectives.
7. What is meant by Warranted rate of growth rate?

**PART B**

**Answer any FOUR questions in about 250 words each (4 X 10=40 marks)**

8. Illustrate the derivation of IS curve.
9. Explain the causes for the shift in LM curve.
10. Analyse the effects of inflation on production and distribution.
11. Explain Keynes theory of demand pull inflation.
12. State and explain the phases of trade cycle.
13. Explain Schumpeter's theory of trade cycle.
14. Bring out the objectives of fiscal policy.

**PART C**

**Answer any TWO questions in about 900 words each (2 X 20=40 marks)**

15. Discuss in detail the general equilibrium model using IS-LM curve.
16. How does Phillips curve explain the trade-off between inflation and unemployment?
17. Explain Kaldor's model of trade cycle with suitable illustrations.
18. Critically examine the Harrod-Domar growth model.

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