LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – NOVEMBER 2019

EC 5504 – MACRO ECONOMICS - II

Date: 30-10-2019   Dept. No.   Max. : 100 Marks
Time: 01:00-04:00

PART – A

Answer any FIVE questions in about 75 words each.   **(5X4=20 marks)**

1. State the Absolute Income Hypothesis.

2. What is transitory income?

3. Write a short note on Hayek model of trade cycle.

4. List out the different types of Inflation.

5. What is meant by warranted growth rate?

6. State the meaning of knife edge equilibrium.

7. What are the objectives of macroeconomic policy?

PART – B

Answer any FOUR questions in about 250 words each.   **(4X10=40 marks)**

8. Briefly explain the relative income hypothesis.

9. Bring out the Joseph A. Schumpeter theory of Innovation.

10. Diagrammatically explain the J.R. Hicks model of trade cycle.

11. Distinguish between demand pull and cost push inflation.

12. Briefly explain the Kaldor's model of income determination through differential saving.

13. What are the effects of inflation in India?

14. Highlight the role of monetary policies in maintaining economic growth with stability.

PART – C

Answer any TWO questions in about 900 words each.   **(2X20=40 marks)**

15. Discuss the Milton Friedman's model of permanent income hypothesis.

16. Examine the multiplier and accelerator interaction model of trade cycle.

17. Describe the causes and remedial measures to control inflation.

18. Analyze the Harrod-Domar growth model.

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1