

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**



**B.A.DEGREE EXAMINATION –ECONOMICS**

**FIFTH SEMESTER – APRIL 2018**

**EC 5504– MACRO ECONOMICS - II**

Date: 27-04-2018  
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. Define Relative Income Hypothesis.
2. Explain the term 'Recovery'.
3. Define Innovation.
4. Define Cost Push inflation.
5. Briefly explain the effect of inflation on production.
6. Explain Warranted Rate of Growth.
7. What is meant by Economic Stability? Explain.

**PART – B**

**Answer any FOUR questions in about 250 words each:**

**(4 X 10 = 40 Marks)**

8. Explain the Absolute Income Hypothesis.
9. Discuss Schumpeter's Trade Cycle theory.
10. Explain Samuelson's Model of Trade Cycle.
11. Examine the causes of inflation.
12. Analyse Harrod-Domar model of economic growth.
13. Analyse the role of Fiscal policy measures in attaining economic stability.
14. Examine the effectiveness of Open Market Operations.

**PART – C**

**Answer any TWO questions in about 900 words each:**

**(2 X 20 = 40 Marks)**

15. Analyse Milton Friedman's Consumption Function.
16. Elucidate Hicks' model of Trade Cycle.
17. Critically evaluate the effects and the remedial measures for controlling inflation.
18. Discuss the various monetary policy measures in achieving economic growth.

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