LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – ECONOMICS

FIRST SEMESTER – APRIL 2022

PEC 1502 - MACRO ECONOMIC THEORY - I

Date: 18-06-2022 Dept. No. Time: 01:00 PM - 04:00 PM

PART – A

Q. No Answer any FIVE questions in about 75 words each.

- 1. List out the subjective factor determinants of consumption function.
- 2. Illustrate the flow of income and expenditure in a three-sector model.
- 3. What is meant by General Equilibrium? Give an example.
- 4. What is meant by money illusion?
- 5. Bring out the assumptions of Classical school.
- 6. State the reasons for price rigidity under oligopoly market.
- 7. List out various reasons for shifts in LM curve.

PART – B

Answer any FOUR questions in about 300 words each.

(4 x 10 = 40 Marks)

- 8. Compare the characteristics of Keynesian and Monetarist.
- 9. Write a note on the scope of Macroeconomics.
- 10. Explore the difficulties in the estimation of National Income in developing countries.
- 11. Examine Hawtrey's monetary theory of business cycle.
- 12. Describe Anto and Modigliani's Life Cycle theory.
- 13. Explore the adaptive expectations and rational expectation theory.
- 14. Explain the efficiency wage theory.

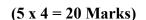
PART - C

Answer any TWO questions in 1200 words each.

 $(2 \times 20 = 40 \text{ Marks})$

- 15. Explain the Samuelson's model of business cycle with suitable representation.
- 16. Analyze the effects of fiscal and monetary policy on wage.
- 17. Explore Milton Friedman's view on the long-run Phillips curve.
- 18. Discuss the effect of monetary and fiscal policy using Keynesian IS-LM Model.

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Max.: 100 Marks