



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.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

PART – A

Q. No Answer any FIVE questions in about 75 words each. (5 x 4 = 20 Marks)

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 x 20 = 40 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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