# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI - 600034 

M.A. DEGREE EXAMINATION - ECONOMICS<br>SECOND SEMESTER - APRIL 2022<br>PEC 2502 - MACROECONOMIC THEORY - II

Date: 17-06-2022
Dept. No. $\square$ Max. : 100 Marks
Time: 09:00 AM - 12:00 NOON

## PART A

Answer any FIVE questions in about 75 words each
(4x5=20Marks)

1. Depict the phases of a business cycle.
2. Differentiate between Exogenous and Endogenous growth theories.
3. What should Stabilization Policy try to accomplish on the output side?
4. Write a note on Lucas Critique.
5. State the assumptions of Walrasian Equilibrium.
6. Write a note on Real Business Cycle theory.
7. Highlight the differences between Golden age equilibrium and Knife-edge equilibrium.

## PART B

Answer any FOUR questions in about 300 words each
8. Identify the superiority of Hicksian Trade Cycle theory over the proposition made by Samuelson-Hicks' cyclical fluctuations.
9. Examine the contributions to growth propounded by Solow.
10. Depict and identify the relation between growth rates of saving and investment propounded by Harrod and Domar in their growth model.
11. Demonstrate the overlapping generations model by projecting its difference from infinite horizon model.
12. Outline the model of Human capital and growth.
13. Examine the methods of optimal monetary policy adopted to attain stabilization of growth indicators.
14. Compare and contrast the Classical and Keynesian versions of theory of fluctuations.

## PART C

Answer any TWO questions in about 1200 words each
15. Derive the Samuelson -Hicks model of trade cycle.
16. Elucidate the Solow-Swan model as an extension of Neo-classical growth models.
17. Demonstrate the R\&D model of knowledge accumulation.
18. Establish the relation between inflation and unemployment from the contributions of Friedman, Phelps and Lucas.

