

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – NOVEMBER 2009

EC 5504 - MACRO ECONOMICS - II

Date & Time: 03/11/2009 / 9:00 - 12:00 Dept. No.

Max. : 100 Marks

PART – A

Answer any FIVE Questions in about 75 words each (5 x 4 = 20 marks)

1. Explain the three implied generalizations about income and consumption in the Absolute Income Hypothesis .
2. What are the three main factors on which Hawtrey's theory of trade cycle devolves upon?
3. State the features of Hayek's theory of business cycle.
4. What is Inflation?
5. State the assumptions of Harrod-Domar Model.
6. State the assumptions of Kaldor's Model of Distribution.
7. What are the four major goals of Macro Economic Policy?

PART – B

Answer any FOUR Questions in about 250 words each. (4 x 10 = 40 marks)

8. Bring out the criticisms of Dussenbury Theory.
9. Describe the expansion and contraction phase of the Trade Cycle of Kaldor.
10. Write a note on the Schumpeter's theory of Innovation.
11. Explain Ratchet Inflation.
12. Bring out the differences between classical and Keynes in explaining the the determinants for general price level.
13. Give the essence of Kaldor's theory of growth and distribution.
14. Briefly explain about the instruments of monetary policy.

PART – C

Answer any TWO Questions in about 900 words. (2 x 20 = 40 marks)

15. Examine critically Milton Friedman's Permanent Income theory.
16. Explain Samuelson's theory of Business Cycle. What are its short comings?
17. Explain a. Excess – Demand Inflation b. Cost-Push Inflation
18. Explain the Harrod – Domar models of economic growth. What are its limitations?
