# LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

## B.A. DEGREE EXAMINATION – ECONOMICS

### FIFTH SEMESTER – NOVEMBER 2019

### 16/17UEC5MC01 – MACRO ECONOMICS - II

Date: 29-10-2019          Dept. No.                    Max. : 100 Marks
Time: 09:00-12:00

## PART - A

**Answer any FIVE questions in about 75 words each.**          **(5 × 4 = 20 marks)**

1. What are the reasons for shift in IS and LM curves?

2. State the interdependence of product and money market.

3. Classify the inflation on the basis of the rate of increase in prices.

4. List out the assumptions of innovation theory of profit.

5. What are necessary conditions for steady growth in Domar's model?

6. Write a short note on natural rate of growth.

7. What are the objectives of monetary policy?

## PART – B

**Answer any FOUR questions in about 300 words each:**          **(4 × 10 = 40 marks)**

8. Derive an IS curve. Give their properties.

9. Enumerate the Keynesian theory of inflation.

10. What are the economic consequences of inflation?

11. Explain clearly Samuelson's theory of business cycle.

12. Examine Hawtrey's theory of business cycle.

13. Point out the similarities and differences in Harrod and Domar's growth theories.

14. Evaluate the role of monetary policy in economic growth with stability.

## PART – C

**Answer any TWO questions in about 900 words each:**          **(2 × 20 = 40 marks)**

15. Illustrate the equilibrium of IS-LM model with balance of payment.

16. Describe the relationship between inflation and the rate of unemployment. Bring out the modifications made in the Phillips curve.

17. Critically examine Hicksian business cycle theory.

18. Describe Kaldor's income distribution model. In what way it is an improvement over the Harrod model?

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