

[APDEC-102]
M.A. DEGREE EXAMINATION

Economics
I Year

MACRO ECONOMIC ANALYSIS
(Effective from the admitted batch 2009-10)

Time: 3 Hours

Max.Marks: 70

Instructions: All parts of the unit must be answered in one place only.
Figures in the right hand margin indicate marks allotted.

Section-A

1. Answer any four of the following 4X5 = 20
- a) Consumption function
 - b) The Ramsey model of optimal growth
 - c) Innovations theory of business cycle
 - d) Relative income hypothesis
 - e) Objectives of monetary policy
 - f) Frictional unemployment
 - g) Merits and demerits of fixed exchange rate

Section-B

Answer all the questions 5X10 = 50

UNIT-I

2. a) Briefly discuss the classical theory of demand for money

OR

- b) Give an account of Keynesian liquidity preference approach

UNIT-II

3. a) Compare and evaluate the classical macro model with that of Keynesian economic model

OR

- b) Discuss Endogenous model of economic growth

UNIT-III

4. a) Explain in detail the money market equilibrium with the help of IS-LM analysis

OR

- b) Briefly explain the working of monetary policy in India in the post-liberalisation period

UNIT-IV

5. a) Give an account of Hicksian theory of trade cycle

OR

- b) How does the Philips curve explain the trade-off between unemployment and inflation

UNIT-V

6. a) What is supply of money and explain components of money supply in India

OR

- b) State the price adjustment problem of Sluggish

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