

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 600 086**  
**(For Candidates admitted during the academic year 2023-2024 and thereafter)**

**M.A. DEGREE EXAMINATION NOVEMBER 2024**  
**BRANCH III – ECONOMICS**  
**THIRD SEMESTER**

**COURSE : CORE**

**PAPER : MACROECONOMICS ANALYSIS – I**

**SUBJECT CODE: 23EC/PC/MA34**

**TIME : 3 HOURS**

**MAX.MARKS : 100**

<b>Q. No.</b>	<b>SECTION A</b> <b>PART – A</b> <b>Answer any TWO out of THREE questions in about 150 words each</b> <b>( 2 X 5 = 10)</b>	<b>CO</b>	<b>KL</b>
1	Briefly explain the Mundell Fleming model?	1	1
2	Explain the concept of intertemporal choice in economics with a suitable example.	1	1
3	What does the LM curve represent in the IS LM model?	1	1
<b>Q. No.</b>	<b>PART – B</b> <b>Answer any TWO out of THREE questions in about 150 words each</b> <b>(2 X 5 = 10)</b>	<b>CO</b>	<b>KL</b>
4	Describe Keynes' psychological law of consumption and how does it influence consumption?	2	2
5	How does the IS LM model change in an open economy compared to a closed economy?	2	2
6	Outline the components of aggregate demand.	2	2
<b>Q. No.</b>	<b>SECTION B</b> <b>PART – A</b> <b>Answer any TWO out of THREE questions in about 400 words each</b> <b>(2 X 8 = 16)</b>	<b>CO</b>	<b>KL</b>
7	Elucidate the characteristic features of a consumption function	3	3
8	Explain the Keynesian theory of investment	3	3
9	Examine the macroeconomic developments after Keynes.	3	3
<b>Q. No.</b>	<b>PART – B</b> <b>Answer any TWO out of THREE questions in about 400 words each</b> <b>(2 X 8 = 16)</b>	<b>CO</b>	<b>KL</b>
10	Determine the general equilibrium of the economy with the help of the IS LM model.	4	4
11	How does the paradox of thrift affect the economy during a recession?	4	4
12	Examine the key components of the residential theory of investment.	4	4
	<b>SECTION C</b> <b>PART – A</b> <b>Answer any TWO out of FOUR questions in about 700 words each</b> <b>(2 X 12 = 24)</b>		
13	Compare and contrast the key features of the classical and Keynesian economics.	5	5

14	Analyse the effectiveness of monetary and fiscal policy in a closed economy model.	5	5
15	The aggregate demand and aggregate supply determine equilibrium output and employment. Discuss.	5	5
16	How is the Permanent Income theory of consumption different from Keynes' theory?	5	5
	<b>PART – B</b> <b>Answer any TWO out of FOUR questions in about 700 words each</b> <b>(2 X 12 = 24)</b>		
17	Assess the role of fiscal policy in the classical and the Keynesian model. Which model provides a better policy framework during recession and why?	6	6
18	Evaluate the effectiveness of monetary policy in a open economy with a fixed exchange rate as compared to a flexible exchange rate with the help of the Mundell Fleming model.	6	6
19	Analyse the influence of behavioural economics on investment decisions specifically regarding the Tobin's q ratio and the accelerator theory.	6	6
20	Bring out the relevance of life cycle hypothesis in the context of current real-world scenario.	6	6

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