

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted during the academic year 2009–10 & thereafter)

SUBJECT CODE: EC/PC/MA44

M. A. DEGREE EXAMINATION, APRIL 2012
BRANCH III – ECONOMICS
SECOND SEMESTER

COURSE : CORE
PAPER : MACRO ECONOMICS - II
TIME : 3 HOURS

MAX. MARKS: 100

SECTION – A

ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS. (5 X 8 = 40)

1. Assess the strength of monetary policy tools in controlling inflation.
2. Bring out the differences between Keynesian and Classical Macro Economic theories.
3. What are the objectives of Macro Economic policies? How are they managed with the help of near and dear money policies?
4. Explain the role of rules and discretionary measures in overcoming cyclical functions.
5. Explain Neo-Keynesian quantity constrained model.
6. How do we reach full employment level of income from underemployment in the Keynesian model?
7. Narrate Neo-Keynesian objections to supply side economics.

SECTION – B

ANSWER ANY THREE QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS. (3 x 20 = 60)

8. State and evaluate the Mundell-Fleming model of internal and external stability.
9. Explain rational expectations hypothesis. Bring out its pros and cons.
10. Examine real business cycle theory developed by C.R. Nelson, C.L. Plosser and G. Mankiw.
11. How far can Monetary and Fiscal policies ensure stability at full employment level?
12. State and explain the new Keynesian model developed by N. Gregory Mankiw.
