

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted during the academic year 2011–12)

SUBJECT CODE: 11EC/PC/MA44

M. A. DEGREE EXAMINATION, APRIL 2013
BRANCH III – ECONOMICS
FOURTH 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. Distinguish between fixed and flexible targets. How are these two targets are accommodated in formula flexibility?
2. Analyze the concept of crowding out effect.
3. In an open economy model explain the case of imperfect capital mobility.
4. What are the major objectives of monetary policy in India?
5. Explain Samuelson's theory of business cycles.
6. Explain Gurley and Shaw thesis related to money.
7. "Wage rigidity and liquidity trap obstruct full employment equilibrium" – Discuss.

SECTION – B

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

8. Explain the Mundell Fleming Model of internal and external stability.
9. Evaluate the real business cycle theories developed by R. Nelson, C.L. Plosser and G. Mankiw.
10. List out and explain new Keynesian objections to supply side economics.
11. Examine the Rational expectations hypothesis.
12. Discuss rules versus discretion in macroeconomic policy.
