

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2008 – 2009 & thereafter)

SUBJECT CODE: EC/MC/MA64

B. A. DEGREE EXAMINATION, APRIL 2013

BRANCH IV - ECONOMICS

SIXTH SEMESTER

COURSE : MAJOR – CORE
PAPER : MACRO ECONOMICS - II
TIME : 3 HOURS.

MAX. MARKS: 100

SECTION – A

ANSWER ALL QUESTIONS. EACH ANSWER NOT TO EXCEED 50 WORDS:

(10X3=30)

1. Explain the term effective demand.
2. Distinguish between inflation and deflation.
3. State four characteristics of a trade cycle.
4. What is cost-push inflation?
5. What is speculative demand for money?
6. Distinguish between real sector and monetary sector in an economy.
7. Distinguish between closed and open economy.
8. What is suppressed inflation?
9. Define the term Balance of Payments.
10. What are the quantitative weapons of credit control?

SECTION – B

ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS:

(5X6=30)

11. Explain the factors determining supply of money.
12. Explain Keynesian theory of demand for money.
13. Derive the LM curve. How can you say that the monetary sector of the economy will be in equilibrium all along the LM curve?
14. Explain different phases of a trade cycle.
15. Explain various types of inflation.
16. Write a note on Philips curve. Bring out its implications.
17. List out and explain the reasons for adverse balance of trade in India.

SECTION – C

ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1200 WORDS:

(2X20=40)

18. Explain the use of monetary instruments in economic stabilization.
19. Evaluate Hicksian theory of trade cycle.
20. Explain the causes and consequences of inflation in India.
21. Critically evaluate Keynesian views on money, interest and price level.
