

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

SUBJECT CODE: EC/PC/MA44

M. A. DEGREE EXAMINATION, APRIL 2011
BRANCH III – ECONOMICS
SECOND SEMESTER

COURSE : MAJOR - 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. “Keynesian Economics is non Walrasian in nature” Comment.
2. State the essence of new classical economics.
3. Explain real business cycle model.
4. Comment whether the great recession of 2007-09 was different from that what came before according to New Keynesian model.
5. What is meant by flexible target approach? Explain this with suitable illustration.
6. Write a note on the effect of change in fiscal policy when there is imperfect capital mobility
7. Mention the factors that influence real wage rigidity.

SECTION – B

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

8. Explain the Neo-Classical Keynesian quantity constrained model.
9. Make a critical explanation of rational expectations hypotheses.
10. Explain the Mundell-Fleming model of internal and external stability.
11. Compare active policy with that of passive policy and bring out the difficulties and advantages of active policy.
12. Explain Timbergens’ fixed target approach. Explain why this approach gives rise to the notion that number targets should be equal to the number of equations.
