

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
(For Candidates admitted during the academic year 2009-2010 & thereafter)

SUBJECT CODE: EC/PC/MA34

M.A. DEGREE EXAMINATION NOVEMBER 2011
BRANCH III – ECONOMICS
THIRD SEMESTER

COURSE : CORE
PAPER : MACRO ECONOMICS - I
TIME : 3 HOURS **MAX.MARKS : 100**

SECTION – A

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

1. Explain how Keynes showed that money wage cut would fail to increase employment.
2. Explain Determinants of Effective Demand.
3. Explain Absolute Income Hypothesis
4. Describe the factors causing shift in investment demand curve.
5. Explain three ranges in short run aggregate supply curve.
6. Distinguish between Autonomous investment and Induced investment.
7. Analyse the policies to remove cyclical unemployment.

SECTION – B

II. ANSWER ANY THREE QUESTIONS. EACH ANSWER SHOULD NOT EXCEED 1200 WORDS **(3X20 = 60)**

8. Explain how money market and goods market get simultaneous equilibrium.
9. Explain permanent Income Hypothesis.
10. Explain Accelerator theory of investment.
11. What is meant by adaptive explanation? Explain how with their help Friedman proves that the Philip curve is vertical in the long run.
12. Explain the Sticky Wage Model
