

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

**SUBJECT CODE: 11EC/PC/MA44**

**M. A. DEGREE EXAMINATION, APRIL 2014**  
**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. Bring out the essence of Modern monetarism.
2. What are the Postulates of the New Classical Macro economics
3. Explain the Theory of Rational Expectations
4. What do you mean by Real Business Cycle Model and state its assumptions?
5. Explain the case of perfect and imperfect capital mobility.
6. What is Macroeconomic policy? How it is formulated?
7. What is meant by Monetary Policy? Explain the Quantitative measures of Monetary Control.

**SECTION – B**

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

8. Describe the need for Incomes Policy and Explain the Neo-Keynesian approach to Incomes Policy.
9. Explain New Classical Macroeconomics and discuss its policy implications.
10. Discuss the various Efficiency Wage Theories. Show how efficiency wage theory explains the existence of involuntary unemployment equilibrium.
11. Explain Mundell – Fleming model under Fixed Exchange Rates with perfect Capital Mobility.
12. Discuss the major objectives of macroeconomic Policy of India.

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