

**STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86**  
**(For candidates admitted from the academic year 2004 – 2005 & thereafter)**

**SUBJECT CODE: EC/MC/MA64**

**B. A. DEGREE EXAMINATION, APRIL 2010**  
**BRANCH IV - ECONOMICS**  
**SIXTH SEMESTER**

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

**MAX. MARKS: 100**

**SECTION – A**

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

**(10 X 3 = 30)**

1. Differentiate major and minor business cycles.
2. State the assumptions in Hick's model of trade cycle.
3. What is meant by Mark-Up inflation?
4. What is meant by Natural Rate of Unemployment?
5. What is meant by external balance?
6. Mention the objectives of Macro Economic Policy.
7. Give the meaning for Balance of Payment.
8. Differentiate between internal trade and international trade.
9. What is Inflationary – Gap?
10. Explain Keynesian concept of money demand.

**SECTION – B**

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

**(5 X 6 = 30)**

11. Bring out the characteristics of Business Cycle.
12. What is meant by Ratchet Inflation?
13. Bring out the conflict between the goals of price stability and economic growth.
14. Explain Philip's Curve.
15. Point out the tests of economic policies.
16. How Balance of Payment Disequilibrium can be corrected through variations in exchange rate?
17. Write a note on ASEAN.

**SECTION – C**

**ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED 1200**

**WORDS:**

**(2 X 20 = 40)**

18. Explain Samuelson's theory of Business cycle. What are its shortcomings?
19. Discuss the policies to tackle
  - A. Demand Inflation
  - B. Supply Inflation
  - C. Demand Shift Inflation
  - D. Stagflation
20. The IS-LM function can provide a determinate solution to the rate of interest. Elaborate.
21. Critically evaluate Keynesian Economics.

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