

**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 2008**  
**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. Enumerate the characteristics of a business cycle.
2. What is autonomous investment?
3. Define 'Inflation'.
4. What is repressed inflation.
5. What is LM curve?
6. What is ASEAN?
7. What is meant by neutrality of money?
8. Why do nations trade?
9. What is general equilibrium?
10. What is policy mix?

**SECTION – B**

**ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS: (5 X 6 = 30)**

11. Explain the phases of Business Cycle.
12. Explain, 'Automatic Stabilizers'.
13. What is 'Philips curve'?
14. Describe 'price stability' objective of monetary policy.

15. Bring out the importance of international trade.
16. Explain the meaning of balance of payments.
17. Bring out the arguments in favour of fixed exchange rates.

**SECTION – C**

**ANSWER ANY TWO QUESTIONS. EACH ANSWER NOT TO EXCEED  
1200 WORDS: (2 X 20 = 40)**

18. Discuss Hick's theory of trade cycle.
19. How did Keynes explain the phenomenon of inflation in terms of his concept of inflationary gap?
20. Explain the general equilibrium in goods and money market.
21. Critically examine classical theory of international trade.

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