

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86  
(For Candidates admitted during the academic year 2008-2009)**

**SUBJECT CODE: EC/PC/MA35**

**M.A. DEGREE EXAMINATION NOVEMBER 2009  
BRANCH III – ECONOMICS  
THIRD SEMESTER**

**COURSE : CORE  
PAPER : MACRO ECONOMICS  
TIME : 3 HOURS**

**MAX.MARKS : 100**

**SECTION – A**

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

1. Explain Say's Law of Market in a money economy.
2. Discuss the relevance of Keynesian prescription of raising aggregate demand in the context of developing countries.
3. Write a note on 'Money Illusion'.
4. Show that the IS-LM model is an integration model.
5. Briefly explain the Life Cycle Hypothesis.
6. What are the features of general disequilibrium model?
7. What are the objections against disequilibrium analysis?
8. Give the essence of new classical economics.

**SECTION – B**

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

9. Evaluate the Keynesian theory of employment.
10. Explain the acceleration theory of investment.
11. Explain the Rational Expectations Hypothesis.
12. Present the arguments for and against discretionary policies for managing macro economic problems.

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