

STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI 6000086
(For candidates admitted during the academic year 2015-16)

SUBJECT CODE: 15EC/RC/AE105

M.Phil. DEGREE EXAMINATION, JANUARY 2016
ECONOMICS
FIRST SEMESTER

COURSE : CORE

PAPER : ADVANCED ECONOMIC THEORY

TIME : 3 HOURS

MAX. MARKS: 100

**ANSWER ANY FIVE QUESTIONS. EACH ANSWER SHALL NOT EXCEED
1200 WORDS. (5*20=100)**

1. Explain the measurement of capital in the scarcity theory of price. What is called Cambridge controversy? Briefly portray Neo-classicals fight back.
2. Elucidate general equilibrium analysis dealing explicitly with the interdependence among households and firms mediated by markets. Give the key behavioural and institutional assumptions.
3. Illustrate first and second fundamental theorems of welfare Economics. Critically examine Pareto optimality and social welfare maximization.
4. Discuss Sen's measure of poverty and establish its link with inequality. How do you appreciate his scientific view point in the study of poverty measurements?
5. Examine the important Post- Keynesian developments in Macro Economics. Explain how reinterpretation of Keynes as Non-Walrasian equilibrium.
6. Critically examine the Neo-Keynesian quantity constrained model.
7. In the Mundell-Flemming model with floating exchange rates, explain what happens to aggregate income, the exchange rates and the trade balance when taxes are raised? What would happen if exchange rates were fixed rather than floating?
8. Illustrate the effects of a decrease in money supply in the neoclassical, sticky price and sticky wage models.
9. Narrate the pros and cons of globalization. Examine its impact on the contemporary world economy.
10. Introspect the Euro zone crisis. Has the bailout proposal contained several issues to be tackled? What lessons to be learnt for India from Greece Crisis?
