

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
(For Candidates admitted during the academic year 2015-16)

SUBJECT CODE: 15EC/PC/MA34

M.A. DEGREE EXAMINATION NOVEMBER 2016
BRANCH III – ECONOMICS
THIRD SEMESTER

COURSE : CORE
PAPER : MACRO ECONOMICS - I
TIME : 3 HOURS

MAX.MARKS: 100

SECTION – A

I. ANSWER ANY FIVE QUESTIONS. EACH ANSWER NOT TO EXCEED 300 WORDS. (5X8=40)

1. Briefly explain the Keynes simple two sector model.
2. Distinguish between Classical and Keynes's views on unemployment, full employment, wage cut and neutrality of money.
3. "Saving a private virtue or vice" - Discuss.
4. Bring out the Imperfect Information model of Aggregate supply.
5. Distinguish between static and adaptive expectations.
6. Derive the Lucas supply function.
7. Explain the difference between demand pull inflation and cost-push inflation.

SECTION – B

II. ANSWER ANY THREE QUESTIONS. EACH ANSWER SHOULD NOT EXCEED 1200 WORDS. (3X20=60)

8. Elucidate the effectiveness of monetary and fiscal policy with the help of IS-LM model.
9. Compare and contrast R.G. Hawtrey, D.H. Robertson views on saving and investment with Swedish formulation.
10. Trace the economy's transition from the short run to the long run using Aggregate supply curve.
11. Elaborate the tradeoff between inflation and unemployment. Derive the Philips curve from the aggregate supply curve.
12. Critically evaluate the Life Cycle Hypothesis.
