

**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 2009**  
**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. Define 'Trade Cycle'.
2. Mention some curative measures to soothen the trade cycle.
3. What is 'creeping inflation'?
4. What is Inflationary Gap?
5. State the important elements for a comprehensive and determinate theory of interest.
6. What is IS curve ?
7. What are the major goals of Macro economic policy?
8. Briefly explain the policy conflict between price stabilization and balance of payments.
9. What is ASEAN ?
10. What is meant by Equilibrium Rate of Exchange?

**SECTION – B**

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

**(5 X 6 = 30)**

11. Briefly explain the four phases of Trade Cycle.
12. Explain Prof. Kaldor's expansion and contraction phases of the Trade Cycle.
13. Bring out the Keynes theory of Inflation.
14. What is Philip's Curve?
15. Bring out the inbuilt conflict between unemployment and inflation.
16. Examine the features of international trade.
17. Explain the reasons for the existence of international trade according to classical economists.

**SECTION – C**

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

18. Critically examine Hick's theory of trade cycle.
19. Explain Demand-Pull and Cost-Push Inflation.
20. Explain through IS-LM curve the simultaneous equilibrium in product and money markets.
21. Explain the concept of disequilibrium in the balance of payments. How does this arise ? How can it be restored ?

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