

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

SUBJECT CODE: 15EC/PC/MA34

M.A. DEGREE EXAMINATION NOVEMBER 2017
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. Explain the simple two sector model.
2. Explain in brief Keynes theory of demand for money.
3. Explain Absolute Income Hypothesis.
4. Describe the factors that cause a shift in aggregate supply curve.
5. What is the Phillips curve? Explain the relationship between unemployment and inflation.
6. What is meant by Adaptive expectations? Explain how Friedman proves that Phillips curve is vertical in the long run.
7. Explain Paradox of Thrift.

SECTION – B

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

8. Explain the Neo Classical – Keynesian synthesis view of three sector analysis and the effectiveness of monetary and fiscal policy
9. Explain and evaluate the Accelerator Theory of Investment.
10. Critically evaluate the ex-ante and ex-post approaches to the inter relations of saving and investment.
11. Elaborate the sticky-wage and imperfect information model and bring out its relevance in India.
12. What is the essence of rational expectations hypothesis? How does the hypothesis show that the aggregate supply curve is vertical?
