

**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 2018
BRANCH III – ECONOMICS
THIRD SEMESTER**

COURSE : CORE

PAPER : MACROECONOMICS - 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 classical and Keynesian synthesis.
2. Write a short note on paradox of thrift.
3. Briefly explain the accelerator theory of investment.
4. Diagrammatically explain the vertical aggregate supply curve.
5. Bring out the rational expectation hypothesis.
6. Diagrammatically explain the life cycle hypothesis.
7. Compare and contrast the classical and Keynesian views.

SECTION – B

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

8. Examine the role and effectiveness of monetary and fiscal policy under the IS-LM model.
9. Discuss critically the Millon Friedman's Permanent Income Hypothesis of consumption.
10. Analyze the imperfect-information model.
11. Diagrammatically explain the use of Lucas supply function with respect to price expectation..
12. Critically examine the Natural Rate of Unemployment and Phillips curve.
