

(Pages : 3)

L – 5332

Reg. No. :

Name :

Fourth Semester M.A. Degree Examination, March 2021.

Economics

EC 241 – MACRO ECONOMICS - II

(2018 Admission Onwards)

Time : 3 Hours

Max. Marks : 75

SECTION – A

Answer **all** questions. Define the following in one or two sentences.

1. Monetarism.
2. Taylor Rule.
3. NAIRU.
4. Seigniorage.
5. Laffer curve.
6. Stagflation.
7. Tinberger Rule.
8. Okun's Law.
9. Ricardian equivalence.
10. New neoclassical synthesis.

(10 × 1 = 10 Marks)



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SECTION – B

Answer any **seven** questions. **Each** answer should not exceed **500** words.

11. What do you mean by efficiency wage? Explain the insider-outside theory.
12. Examine the Rational Exceptions Theory.
13. What is meant by real business cycle theory? Point out major propositions of the real business cycle model.
14. What is a search model? How does DMP model describe the search activity of unemployed?
15. Discuss the Keynesian approach to inflation. What are the methods to measure inflation?
16. Explain budget deficit. Examine the crowding out theory of fiscal policy.
17. Discuss the causes and consequences of the financial crisis, 2007-2009.
18. Define supply shock. Explain how supply shock causes stagflation.
19. Explain government debt. What are the various view of government debt?
20. Examine the development and implications of new classical macroeconomics.

(7 × 5 = 35 Marks)

SECTION – C

Answer any **three** questions. **Each** answer should not exceeds **1200** words.

21. Summarise the debate over *rule versus discretion*. Discuss the framework of monetary targeting and inflation targeting.
22. Examine major arguments of Post-Keynesian Economics. Discuss Kalecki's pricing model.

23. *There is no trade-off between inflation and unemployment in the long run.* Evaluate this statement and illustrate the nature and peculiarities of long run Phillips curve.
24. Discuss and compare the business cycle theories of Keynes and Samuelson.
25. Examine the meaning and features of Supply Side Economics. Discuss Dynamically Stochastic General Equilibrium model.

(3 × 10 = 30 Marks)