

QP CODE: 24019099



24019099

Reg No :

Name :

M A DEGREE (CSS) EXAMINATION , APRIL 2024
Second Semester
MA ECONOMETRICS
CORE - EM010202 - MACRO ECONOMIC THEORY-2

2019 Admission Onwards

5E38F583

Time: 3 Hours

Weightage: 30

Part A (Short Answer Questions)

*Answer any **eight** questions.*

Weight 1 each.

1. Absolute income hypothesis.
2. Ratchet effect.
3. Leverage ratio.
4. Friedman's idea of demand for money.
5. What is cash in advance model?
6. Why is Modern Monetary Theory bad?
7. List the three major causes of the 2008 recession.
8. Define securitization.
9. What are the cost push effect of tax wedge?
10. Define the role of government in supply side economics.

(8×1=8 weightage)

Part B (Short Essay/Problems)

*Answer any **six** questions.*

Weight 2 each.

11. Examine the adverse impact of expansionary fiscal policy on private investment.
12. How does inflation affect investment decision?
13. Critically examine Tobin's Portfolio theory of money demand.
14. Explain H theory of money supply.





15. Distinguish between inside and outside money.
16. Give a short note on Kalecki's trade cycle theory.
17. The asymmetry of information deepened the crisis of 2008 - Comment.
18. What is budget and briefly describe government budget constraint.

(6×2=12 weightage)

Part C (Essay Type Questions)

*Answer any **two** questions.*

*Weight **5** each.*

19. Analyse the view that the neo classical theory of investment is superior to the acceleration approach.
20. Discuss Behavioural Model of Money Determination and the demand determined view of money supply process.
21. Show that the interaction of the multiplier and accelerator provides a satisfactory explanation of the trade cycles.
22. What are the consequence of high debt in an economy and how it can be reduced?

(2×5=10 weightage)

