



**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**

**B.A. DEGREE EXAMINATION – ECONOMICS**

FIFTH SEMESTER – APRIL 2017

**EC 5504 - MACRO ECONOMICS - II**

Date: 22-04-2017  
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

**PART – A**

**Answer any five Questions not exceeding 75 words each**

**( 5 x 4 = 20 Marks)**

1. State and explain the relative income hypothesis.
2. Write down the phases of Business cycle.
3. Write a note on Hayek model of trade cycle.
4. Write a note on Inflationary gap.
5. What do you mean by “Knife edge Equilibrium”?
6. What do you mean by Qualitative credit control ?
7. Write a short note on Equality of saving and investment.

**PART – B**

**Answer any FOUR questions in about 250 words each**

**(4 x 10 = 40 Marks)**

8. Critically Examine the various factors determining consumption function.
9. Explain briefly the Hawtrey theory of Trade cycle.
10. Critically Examine the different types of multiplier.
11. Explain the various determinants of general price level.
12. Explain various types of inflation.
13. Enunciate Domar’s Model of Economic growth.
14. Bring down the objectives of Monetary Policy.

**PART – C**

**Answer any TWO questions not exceeding 900 words each**

**(2 x 20 = 40 Marks)**

15. Critically Examine the Permanent Income Hypothesis.
16. Examine the multiplier-accelerator interaction model of the trade cycle.
17. Discuss the causes of inflation and suggest suitable measures to control inflation.
18. Critically Examine the various instruments of Fiscal policy.

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