



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.A. DEGREE EXAMINATION – ECONOMICS

FIFTH SEMESTER – NOVEMBER 2014

EC 5504 - MACRO ECONOMICS - II

Date : 30/10/2014
Time : 09:00-12:00

Dept. No.

Max. : 100 Marks

PART – A

Answer any **FIVE** questions in about 75 words each: (5 x 4 = 20 Marks)

1. Explain Permanent Income Hypothesis.
2. Define the term 'Recession'.
3. Explain Cost Push inflation.
4. Explain the term 'Innovation'.
5. Briefly explain the causes of inflation.
6. Examine Kaldor's model of income distribution.
7. Explain Open Market Operation.

PART – B

Answer any **FOUR** questions in about 250 words each: (4 x 10 = 40 Marks)

8. Explain Relative Income Hypothesis.
9. Discuss Hicks' Trade Cycle model.
10. Explain Hayek's Theory of trade cycle.
11. Examine the remedies available to curb inflation.
12. Compare and contrast Demand Pull and Cost Push inflation.
13. Analyse Harrod-Domar model of growth.
14. Examine the role of public expenditure in achieving economic growth.

PART – C

Answer any **TWO** questions in about 900 words each: (2 x 20 = 40 Marks)

15. Critically evaluate Innovations theory of trade cycle.
16. Analyse the factors influencing general price level and the effects of inflation.
17. Examine Kaldor's model of income determination.
18. Analyse the effectiveness of various monetary measures in maintaining economic stability.

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