QP CODE: D4BEC2404	(Pages: 2)	Reg. No	: ....
		Name	: ....

FOURTH SEMESTER FYUGP EXAMINATION, APRIL 2026

Discipline Specific Core (DSC) Courses - Major

ECO4CJ204 : INTERMEDIATE MACROECONOMICS

(Credits: 4)

Time: 2 Hours | **Maximum Marks: 70**

Section A

Answer the following questions. Each carries 3 marks (Ceiling: 24 marks)

1.	Define fiscal and monetary policy.	BL1	CO1, CO3, CO6
2.	Explain the Keynesian classification of financial assets.	BL1	CO1, CO4, CO6
3.	Mathematically express the slope of the IS curve.	BL1	CO2, CO3, CO6
4.	List any two sources of wage rigidty.	BL1	CO1, CO5, CO6
5.	In the IS–LM model of a closed economy, when there is excess demand for money and goods, how will interest rate and output adjust to reach equilibrium?	BL4	CO2, CO3, CO6
6.	Explain why the labor demand curve is downward-sloping.	BL2	CO1, CO3, CO6
7.	Explain the effect of a decrease in money supply on the equilibrium interest rate in the Keynesian model.	BL2	CO1, CO4, CO6
8.	List the factors that shift the balance of payments(BP) schedule.	BL2	CO2, CO3, CO6
9.	Explain how a change in price level affects the IS schedule.	BL4	CO1, CO2, CO5, CO6
10.	How will the equilibrium output in an IS-LM model change when there is an increase in taxes ?	BL4	CO2, CO3, CO6

Section B

Answer the following questions. Each carries 6 marks (Ceiling: 36 Marks)

11.	Explain Fisher's approach to quantity theory of money.	BL1	CO1, CO3, CO6
12.	The government of India decides to cut down its costs by reducing government expenditure. Using Keynesian model, explain how this will affect the equilibrium income.	BL4	CO1, CO4, CO6

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13.	In an IS-LM model for a closed economy, describe how an increase in taxes affect the equiibirum level of output.	BL4	CO2, CO3, CO6
14.	There was a massive increase in the price of crude oil on the world market during 1970's. Explain the Keynesian view of the effects of these supply shocks on aggregate price-level and output.	BL3	CO1, CO2, CO5, CO6
15.	Explain how the Keynesian aggregate supply curve is derived when both money wages and prices are variable.”	BL2	CO1, CO2, CO5, CO6
16.	Explain the Classical theory of labour market equilibrium.	BL1	CO1, CO3, CO6
17.	Explain how the origins of the Keynesian revolution came about while solving the problem of unemployment which existed in 1930's.	BL2	CO1, CO4, CO6
18.	In an IS-LM model, explain how the slope of the IS schedule determine the effectiveness of fiscal policy.	BL2	CO2, CO3, CO6
	Section C		
	Answer any one question. Each carries 10 marks (1 x 10 = 10 Marks)		
19.	Assuming an open economy, explain how to determine equilibrium output in the Keynesian model. Also, explain how an increase in imports by an economy can affect the equilibrium income.	BL4	CO1, CO4, CO6
20.	Explain the Classical theory of interest rate determination. Also, explain how an event like' fear of future war' can affect the equilibrium rate of interest.	BL3	CO1, CO3, CO6
	CO : Course Outcome		
	BL : Bloom’s Taxonomy Levels (1 – Remember, 2 – Understand, 3 – Apply, 4 – Analyse, 5 – Evaluate, 6 – Create)		