QP CODE: D4BEC2407	**(Pages: 2)**	**Reg. No**	**:**	**...............................**
		Name	**:**	**...............................**

FOURTH SEMESTER FYUGP EXAMINATION, APRIL 2026

Discipline Specific Core (DSC) Courses - Major

ECO4CJ207 : ADVANCED MACROECONOMICS

(Credits: 4)

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

Section A

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

1.	Define the term 'Exchange rate determination' in the context of Monetary Approach to BOP/ER.	BL1	CO6
2.	What is the significance of 'Microfoundations of RBC'?	BL2	
3.	Define the term 'Lucas supply function' in the context of New Classical Models.	BL2	CO6
4.	Briefly explain the role of 'Investment behavior in RBC'.	BL1	
5.	Briefly explain the role of 'Election year boom'.	BL1	
6.	Discuss the concept Dornbusch Overshooting Model.	BL2	CO1
7.	Identify the core assumptions behind 'Monetary non-neutrality'.	BL1	CO4
8.	What is the significance of 'Insider-outsider theory'?	BL1	
9.	What is the significance of 'Wage inertia'?	BL1	
10.	Define the term 'Alesina model' in the context of Rational Partisan Theory.	BL2	CO4

Section B

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

11.	Analyze the mechanism of 'Inflation targeting' and its impact on the economy.	BL3	CO3
12.	Analyze the mechanism of 'Money supply and price level' and its impact on the economy.	BL4	CO4
13.	Discuss the relationship between 'Persistence of shocks' and aggregate outcomes.	BL4	CO4

(PTO)

14.	Illustrate the application of 'Office-seeking vs Policy-seeking' in modern economic policy.	BL4	CO3
15.	Explain how 'Structural reforms' influences macroeconomic stability according to the RBC Policy Implications.	BL3	CO6
16.	Illustrate the application of 'Ideological policy choices' in modern economic policy.	BL4	
17.	Explain how 'Rogoff and Sibert model' influences macroeconomic stability according to the Rational PBC Models.	BL3	CO6
18.	Analyze the mechanism of 'Stabilization vs re-election' and its impact on the economy.	BL3	CO5
	Section C		
	Answer any one question. Each carries 10 marks (1 x 10 = 10 Marks)		
19.	Examine the theoretical foundations and empirical relevance of 'Price stability goal' in the context of Monetarist Stabilization Policy.	BL5	
20.	Develop a comprehensive analysis of how 'Sticky prices' shapes the contemporary understanding of New Keynesian Economics Intro.	BL6	
	CO : Course Outcome		
	BL : Bloom’s Taxonomy Levels (1 – Remember, 2 – Understand, 3 – Apply, 4 – Analyse, 5 – Evaluate, 6 – Create)		