

**FIFTH SEMESTER UG DEGREE EXAMINATION, NOVEMBER 2022**  
**(Regular/Improvement/Supplementary)**

**ECONOMICS & MATHEMATICS (DOUBLE MAIN)**  
**GDEC5B08T: MACROECONOMICS II**

Time: 2 ½ Hours

Maximum Marks: 80

**SECTION A: Answer the following questions. Each carries *two* marks.**  
**(Ceiling 25 Marks)**

1. What is Keynesian consumption function?
2. What is Random Walk Hypothesis?
3. Define money multiplier.
4. What are the important measures of money supply?
5. State the liquidity preference theory.
6. What is meant by the interest elasticities of demand for money?
7. Comment on the portfolio approach to money demand.
8. What is meant by Macro economic policies?
9. Write a note on discretionary fiscal policy.
10. Examine the Ricardian equivalence.
11. What is meant by target variables?
12. What is the significance of Time inconsistency?
13. Mention the impact of supply shocks.
14. Describe the surprise supply function.
15. What is meant by adverse selection?

**SECTION B: Answer the following questions. Each carries *five* marks**  
**(Ceiling 35 Marks)**

16. Explain the Fisher's theory of intertemporal choice.
17. Critically examine the Permanent income hypothesis.
18. Examine the money supply process?
19. Explain the Friedman's restatement of quantity theory of money.
20. Write a detailed account on the rules versus discretion.
21. Explain Government budget constraint.
22. Critically explain the Real Business Cycle.
23. Differentiate the major themes of Classical and Keynesian economics.

**SECTION C: Answer any *two* questions. Each carries *ten* marks.**

24. What are the important Transaction theories of money demand? Explain.
25. Give an account of meaning, objectives and tools of monetary policy.
26. What are the determinants of investment? Explain Accelerator theory of investment.
27. Critically examine the micro foundations of new Keynesian schools.

**(2 × 10 = 20 Marks)**