FIFTH SEMESTER B.Sc. DEGREE EXAMINATION, NOVEMBER 2023

(Regular/Improvement/Supplementary)

ECONOMICS & MATHEMATICS (DOUBLE MAIN)

GDEC5B06T: MACROECONOMICS II

Time: 2 ½ Hours   **Maximum Marks: 80**

SECTION A: Answer the following questions. Each carries *two* marks.

(Ceiling 25 Marks)

Write short notes on:

1. Marginal Efficiency of Capital.
2. Autonomous investment.
3. Monetary policy.
4. Effective Demand.
5. Full employment.
6. Money supply.
7. Ricardian equivalence.
8. New Keynesian school.
9. Consumption function.
10. Business fixed investment.
11. Keynesian theory of investment
12. Random walk hypothesis.
13. Rational expectation hypothesis.
14. Monetary targeting.
15. Money Multiplier.

SECTION B: Answer the following questions. Each carries *five* marks.

(Ceiling 35 Marks)

16. Discuss Friedman's restatement of quantity theory of money.
17. Illustrate Fisher's model of intertemporal choice.
18. Describe permanent income hypotheses. How is permanent income measured?
19. Major themes of new Keynesian school.
20. What is the real business cycle model?
21. Describe the major ideas of classical economists.
22. What are the basic postulates of Transaction theories of money demand?
23. Explain Baumol's approach to demand for money.

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

24. Explain Tobin's approach to demand for money.
25. List out the main ideas of monetarist school of thought.
26. Describe Life cycle hypothesis.
27. Explain the relevance and importance of monetary policy.

(2 x 10 = 20 Marks)