FIFTH SEMESTER B.Sc. DEGREE EXAMINATION, NOVEMBER 2024
(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)

1. Write a note on New Keynesian school.
2. What is Ricardian equivalence?
3. Explain the factors determining demand for money according to the portfolio theory.
4. What is meant by marginal efficiency of investment?
5. What is meant by Monetary base?
6. Define consumption function puzzle.
7. What is Tobin's q ratio?
8. What is meant by easy money policy?
9. Explain the rules versus discretion debate.
10. Write a note on full employment equilibrium.
11. What is meant by Inventory investment?
12. Define liquidity trap.
13. Explain Fisher's inter temporal Choice.
14. Comment on Demonstration Effect.
15. Write a note on government debt.

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

16. What are the major contributions of New Classicals?
17. Explain what is meant by Money Multiplier.
18. Describe the Accelerator theory of investment.
19. Explain the time inconsistency proposition.
20. What is meant by Rational expectations hypothesis?
21. Explain how Keynesians criticized classicals.
22. Enlist the major motives of demand for money.
23. Write a note on Real Business cycle theory.

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

24. Explain the main propositions of Keynesian Theory of Investment. Explain how it differed from the classical propositions on Investment.
25. Explain the Baumol - Tobin model of cash management.
26. What are the major types of monetary policy? What are their objectives?
27. Explain the restatement of the quantity theory of money.

(2 × 10 = 20 Marks)