

**SIXTH SEMESTER BA DEGREE EXAMINATION, APRIL 2025****(Regular/Improvement/Supplementary)****ECONOMICS****GECO6B11T: 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 Phillips Curve?
2. What is meant by Monetary Policy? How does it differ from fiscal policy?
3. Comment on Quantitative easing.
4. Write a note on Income Policy.
5. Distinguish between Minor Cycle and Major Cycle.
6. State the features of prosperity.
7. Distinguish between the product market and the money market.
8. Define business cycle.
9. What do you mean by recession?
10. State Sun spot theory of business cycle.
11. What is Stagflation?
12. Describe Voluntary Unemployment.
13. What is bank rate?
14. Define Compensatory Fiscal Policy.
15. State Okun's Law.

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

16. What factors cause upward and downward shifts in the IS curve?
17. Define IS curve. Derive it graphically and explain the relationship between the interest rate and income
18. State the factors that cause the shift in the LM curve.
19. What are the different types of unemployment? How are they different from one another?
20. Distinguish between cost push inflation and demand pull inflation.
21. Explain the different phases of business cycle.
22. Discuss the main instruments of Fiscal policy in economic stabilization.
23. Write a short note on Great Recession of 2008.

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

24. Discuss the equilibrium in the goods and money market with the help of IS-LM framework.
25. Does Phillips curve hold in the long run? Discuss the dynamics of unemployment and inflation and long run Phillips curve.
26. State the important measures to control business cycle.
27. Explain the quantitative and qualitative instruments of monetary policy.

**(2 × 10 = 20 Marks)**