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Name:

Reg. No.....

SIXTH SEMESTER B.A. DEGREE EXAMINATION, APRIL 2020

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC15U ECO6 B11 - MACROECONOMICS II

Economics – Core Course

(2015 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

Answers may be written **either** in English **or** in Malayalam

Part A

Answer **all** questions. Each question carries ½ mark.

1. The concept of inside and outside money were developed by:
a) Gurley and Shaw b) Keynes c) Milton Friedman d) Pigou
2. The post office term deposit is a part of :
a) M₂ money b) M₃ money c) M₄ money d) M₁ money
3. Liquidity preference is interest:
a) Inelastic b) Elastic c) Neutral d) none of these
4. Money that does not possess any legal authority of the central bank is :
a) legal tender money b) ssoptional money c) inside money d) outside money
5. An inverse relationship between the rate of inflation and rate of unemployment is shown by;
a) BP curve b) IS curve c) LM curve d) Phillips curve
6. The policy adopted by Central bank during Inflation:
a) Expansionary b) Contractionary c) neutral d) counter-cyclical
7. Fiscal policy refers to policy towards:
a) public revenue b) public expenditure c) public debt d) all of the above
8. Open market operations refer to the sale and purchase by the RBI of:
a) gold b) Government securities
c) foreign exchange d) all of these
9. Stagflation is a term coined by;
a) Brahmananda b) Rao c) Hawtrey d) Samuelson
10. The equilibrium in the product market is represented by which curve?
a) IS b) LM c) demand d) supply
11. Which policy is effective in the classical range?
a) Monetary b) fiscal c) trade d) none of these

12. IS-LM model was developed by ;

- a) Hicks and Hansen b) Allen c) Chamberlin d) Fisher

(12 x ½ = 6 Marks)

Part B (Very Short Answer Questions)

Answer any *ten* questions. Each question carries 2 marks.

13. Distinguish between legal tender money and optional money.
14. What is Demonetization?
15. Distinguish between money and near money.
16. What is money multiplier?
17. What is Mark-up Inflation?
18. Define Variable Cash Reserve Ratio.
19. Define Okun's Law
20. What is IS curve?
21. Define fiscal policy.
22. What do you mean by open market operations?
23. Define Balance of Payments.
24. What is Devaluation?

(10 x 2 = 20 Marks)

Part C (Short Essay Questions)

Answer any *six* questions. Each question carries 5 marks.

25. Critically explain Friedman's Restatement of the Quantity theory of money.
26. Describe the various functions of money?
27. What is unemployment? Explain different types of unemployment.
28. Explain the concept of Phillips curve and discuss the policy implications.
29. Point out the major reasons for the shift in IS curve.
30. Discuss BP curve.
31. Explain Keynesian theory of trade cycle.
32. Explain the various types of inflation.

(6 x 5 = 30 Marks)

Part D (Essay Questions)

Answer any *two* questions. Each question carries 12 marks.

33. Explain the equilibrium of an open economy using IS-LM-BP schedules.
34. Discuss the instruments of fiscal and monetary policy.
35. What are the important causes of inflation? How it can be controlled?
36. Critically examine the liquidity preference theory.

(2 x 12 = 24 Marks)
