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3605 (Pages : 2) Name.....

Reg. No.....

FOURTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
APRIL 2021

Economics

ECO 4B 06—MACROECONOMICS—II

: Two Hours and a Half Maximum : 80 Marks

Section A (Short Answer Questions)

Answer at least **ten** *questions.*
Each question carries 3 *marks.*
All questions can be attended.
Overall Ceiling 30.

What is meant by Trade-off ?

Define headline inflation.

What is meant by deflator ?

Define Sacrifice ratio.

What is public spending ?

Explain ex-post saving.

Explain the relationship between bond price and interest rate.

Distinguish between monetary policy and fiscal policy.

What is investment multiplier ?

Distinguish between WPI and CPI.

What is meant by wage-price spiral ?

Define cyclical unemployment.

What is meant by Usual Status Unemployment ?

What is 'Trough' point in business cycle ?

What is meant by Quantitative easing ?

(10 × 3 = 30 marks)

Turn over

Section B (Short Essay Questions)

Answer at least **five** *questions.*
Each question carries 6 *marks.*
All questions can be attended.
Overall Ceiling 30.

16. What determines the slope of IS curve ?
17. What are the important properties of LM curve ?
18. Distinguish between structural and demand pull theory of inflation.
19. Critically examine the Okun's law.
20. What are the important phases of business cycle ?
21. What are the different types and methods of measurement of unemployment in Ind
22. Examine the counter-cyclical fiscal policy measures of business cycle ?
23. What is meant by monetary transmission mechanism ?

(5 x 6

Section C (Long Essay Questions)

Answer any **two** *questions.*
Each question carries 10 *marks.*

24. What is NAIRU ? Critically examine the short run and long run Phillips curve.
25. Examine the importance of simultaneous equilibrium of goods and money market in a
26. Make a comparative study of Hawtrey's and Hayek's theory of business cycle.
27. What are the important fiscal and monetary policy instruments ? Discuss the effectiveness policies in combating inflation.

(2 x 10