

**B.A. DEGREE EXAMINATION, APRIL 2020**  
**III Year VI Semester**  
**Macro Economics - II**

**Time : 3 Hours**

**Max.marks :75**

**Section A** ( $10 \times 2 = 20$ ) Marks

Answer any **TEN** questions

1. Define multiplier.
2. What is MPC?
3. What do you mean by liquidity trap?
4. What is the multiplier accelerator effect?
5. What do you mean by liquidity preference?
6. What is Keynesian theory of income and employment?
7. What is real balance effect in macroeconomics?
8. What is demand for money?
9. What is the meaning of general equilibrium?
10. What determines the slope of the IS curve?
11. Write a note on LM Curve.
12. What are the main principles of Keynesian economic theory?

**Section B** ( $5 \times 5 = 25$ ) Marks

Answer any **FIVE** questions

13. What is static and dynamic multiplier? Explain its importance.
14. How is employment multiplier calculated? Explain briefly.
15. What are the importance of Keynesian economic theories?
16. Explain the Patinkin real balance effect.
17. Explain IS and LM analysis with illustration.
18. What are the different types of macroeconomic policies?
19. What are the main objectives of macroeconomics?

**Section C** ( $3 \times 10 = 30$ ) Marks

Answer any **THREE** questions

20. What is the relationship between APC and MPC? Discuss briefly.
21. Explain keynsian revolution and its application to LDC.
22. Bring out the contribution of Hicks and Hanson.
23. Explain the contribution to monetary theory of don Patinkin.
24. What are the importances's of macroeconomic policy?

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