

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

MA DEGREE EXAMINATION MAY 2024  
(First Semester)

Branch – ECONOMICS

**ADVANCED MACRO ECONOMIC THEORY AND ANALYSIS**

Time: Three Hours

Maximum: 75 Marks

**SECTION-A (10 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(10 × 1 = 10)

Module No.	Question No.	Question	K Level	CO
1	1	Keynes General Theory was published in (a) 1929 (b) 1930 (c) 1933 (d) 1936	K1	CO1
	2	The concept of Accelerator is given by (a) Adam Smith (b) J.M.Keynes (c) J.M.Clark (d) R.F.Khan	K2	CO1
2	3	The life cycle Hypothesis of consumption function is advocated by (a) J.M.Keynes (b) Dussenberry (c) Modigliani, Brumberg and Ando (d) Milton Friedman	K1	CO2
	4	According to permanent income hypothesis all increases in (a) Permanent Income are saved (b) Permanent income are consumed (c) Transitory Income are saved (d) Transitory Income are consumed	K2	CO2
3	5	Kaldor explains the expansion phase in (a) Two Stages (b) Three Stages (c) Four States (d) Five Stages	K1	CO3
	6	The cyclical Nature of economic activity is known as (a) Monetary Policy (b) Fiscal Relation (c) Trade cycle (d) Inflation	K2	CO3
4	7	Monetary Policy may be defined as (a) Control of financial institution (b) Control of activities of commercial banks (c) Measurement of public enterprises (d) Management of Central banking activities	K1	CO4
	8	A Policy by the government with regard to revenue and expenditure is called (a) Monetary Policy (b) Fiscal Policy (c) Price Policy (d) Income Policy	K2	CO4
5	9	Real and ----- exchange rates are closely related to each other (a) Nominal (b) Constant (c) Current (d) Flexible	K1	CO5
	10	Who developed independent models of Macroeconomic policy in open economics? (a) J.M Keynes (b) J.B.Clark (c) Mundell- Fleming (d) J.B. Say	K2	CO5

**SECTION - B (35 Marks)**

Answer ALL questions

ALL questions carry EQUAL Marks

(5 × 7 = 35)

Module No.	Question No.	Question	K Level	CO
1	11.a.	Sketch the ADF and ASF.	K1	CO1
	(OR)			
	11.b.	Explain Rational Expectation Hypothesis.		

Cont...



2	12.a.	Analyse the Permanent Income Hypothesis.	K2	CO2
	(OR)			
	12.b.	Examine Drift Hypothesis.		
3	13.a.	Simplify the Cobb-Web Theorem.	K3	CO3
	(OR)			
	13.b.	Infer the Schumpeter Innovation Theory.		
4	14.a.	Construct the Deficit Budgetary Policy.	K3	CO4
	(OR)			
	14.b.	Develop the indicators of Stabilisation Policy.		
5	15.a.	Identify the factors affecting Exchange Rate.	K2	CO5
	(OR)			
	15.b.	Identify the arguments for Fixed Exchange Rate.		

**SECTION -C (30 Marks)**

Answer ANY THREE questions

ALL questions carry EQUAL Marks

(3 × 10 = 30)

Module No.	Question No.	Question	K Level	CO
1	16	List out the leakages of Multiplier.	K3	CO1
2	17	Examine the Technical Attributes of Consumption Function.	K3	CO2
3	18	Analyse the Hicks Theory of Trade Cycle.	K3	CO3
4	19	Examine the instruments of Fiscal Policy.	K3	CO4
5	20	Critically evaluate the Mundell- Fleming Model.	K3	CO5

Z-Z-Z

END