LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

M.A. DEGREE EXAMINATION – **ECONOMICS**

SECOND SEMESTER – **APRIL 2023**

PEC 2502 – MACROECONOMIC THEORY - II

Date: 02-05-2023 Dept. No. Max. : 100 Marks
Time: 01:00 PM - 04:00 PM

PART A

Answer any FIVE questions from the following in about 75 words each: (5x4=20Marks)

1. Depict the adjustment paths propounded by Samuelson.
2. Differentiate between Natural and Warranted Growth rates.
3. Highlight the difference between Conventional and Generalized Cobb-Douglas production functions.
4. State the uniqueness of overlapping generations model.
5. Depict the Expected Augmented Phillips curve.
6. Which parameter determine the growth of output in R & D models?
7. State the assumptions of Lucas Imperfect Information model.

PART B

Answer any FOUR questions from the following in about 300 words each: (4x10=40Marks)

8. Elaborate Kaldor's model of Trade Cycle by pointing out its assumptions.
9. Examine the Solow's model of growth.
10. Outline the Diamond model.
11. Write a short essay on Real Business Cycle theories.
12. Highlight the controversy between Phillips curve and Lucas Supply Curve.
13. Elaborate the relation between Inflation, Money growth and interest rates using suitable diagram.
14. Briefly explain the Rational Expectations Hypothesis.

PART C

Answer any TWO questions from the following in about 1200 words each: (2x20=40Marks)

15. Derive the non-linear accelerator and depict the fluctuations of growth framed by Goodwin.
16. Elucidate the Harrod-Domar model of economic growth.
17. Project the advancement of R-C-K's Infinite Horizon model over the conventional growth theories.
18. Critically examine the Walrasian General Equilibrium theory as a foundation to endogenous growth theories.

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