

**CLASS: M.A. ECONOMICS**

**15A / 278**

**St. JOSEPH'S COLLEGE (AUTONOMOUS) TIRUCHIRAPPALLI – 620 002**

**SEMESTER EXAMINATIONS – APRIL 2015**

**TIME: 2 Hrs. 20 min.**

**MAXIMUM MARKS: 70**

<b>SEM</b>	<b>SET</b>	<b>PAPER CODE</b>	<b>TITLE OF THE PAPER</b>
<b>II</b>	<b>2014</b>	<b>14PEC2107</b>	<b>MACRO ECONOMIC PROCESS</b>

**SECTION – B**

**Answer all the questions:**

**5 x 5= 25**

31. a. What are the methods of calculating National Income?

**OR**

b. Explain the balance of payment accounting.

32. a. Briefly explain the absolute income hypothesis.

**OR**

b. Explain the life cycle Hypothesis.

33. a. Briefly explain the role of multiplier.

**OR**

b. Explain the principle of acceleration.

34. a. Explain Keynesian liquidity preference theory.

**OR**

b. Briefly explain Don Patinkin's real balance effect.

35. a. Briefly explain Schumpeter's innovation theory of trade cycle.

**OR**

b. Explain Kaldor's theory of trade cycle.

## SECTION – C

**Answer any THREE questions:**

**3 x 15 = 45**

36. Explain the three sector and four sector model of circular flow of income.
37. What is MEC? And explain the short run factors affecting MEC.
38. Explain the law of consumption function and explain the measures to raise the propensity to consume.
39. Critically examine Fisher's quantity theory of money.
40. Critically evaluate Hicks' theory of trade cycle.

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