

MACRO ECONOMICS

SEM-II B.COM (H) GE-2

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- 1) Explain the Keynesian model of determination of income and output. An increase in spending raise the equilibrium level of output .Explain with the help of a diagram.
- 2) Analyses the effect of change in autonomous spending on the equilibrium level of income.
- 3) Explain the role of an expansionary fiscal policy and monetary policy to shift in aggregate demand scheduled.
- 4) The IS-LM model can be used to describe income determination in both long and short run. How explain
- 5) Explain monetary and fiscal policy multiplier.
- 6) Monetary policy is effective in the classical range and ineffective in Keynesian range. Explain with suitable diagram
- 7) What is crowding out effect? Discuss its importance. How can the monetary authorities avoid crowding out?
- 8) Explain the effectiveness o f fiscal and monetary policies in the Keynes and classical range of LM curve
- 9) Explain the effect of crowding out on different range on LM curve.
- 10) Show the effect of expansionary monetary policy in equilibrium income and output with the help of transmission mechanism.
- 11) Distinguish between the Keynesian and classical Aggregate supply curve.
- 12) Define inflation. Discuss the social cost of inflation.
- 13) Explain Keynesian and classical strategies to reduce inflation.
- 14) Difference between frictional unemployment and wait unemployment. What policies can you suggest to reduce this unemployment?
- 15) The expected rate of inflation affects the position of expectations augmented aggregate supply curve, explain.
- 16) Derive dynamic aggregate demand curve.

- 17) Explain the derivation of upward sloping short run supply curve. What factors are responsible to shift in AS curve?
- 18) Show the effect of monetary expanding on equilibrium output and the price level in short run, medium term and long run.
- 19) Distinguish between Phillips curve and expectation augmented Phillips curve.
- 20) How is equilibrium real interest rate and real exchange rate determined in a large open economy?
- 21) Discuss the features of a large open economy.
- 22) Discuss the effects of expansionary monetary and fiscal policy in Mundell –Fleming model under floating exchange rate in a small and large open economy.
- 23) What are the advantages of fixed and floating exchange rate system?
- 24) What is the relationship between the stock of capital and the flow of investment?
- 25) The modern fractional Reserve Banking system is the source of credit creation explain.
- 26) Explain the Tobin transaction demand for money.