

11-12-17



DOON UNIVERSITY, DEHRADUN

FINAL SEMESTER EXAMINATION

7th Sem. Msc. Intg. Economics SSEI 511 Advance- Macroeconomics—II MM 50

1st SEM. MA. Economics SSE- 531 Macroeconomics- II

Time 3 hrs

SECTION A-----[Very short answers]

[Attempt all questions from this section]

2X 5=10

- Q.1 What are Real Wages ? Explain with example .
- Q.2. Discuss two main assumptions of Mundell Fleming Model .
- Q.3. Differentiate between Real and Nominal Exchange rate .
- Q.4. Which Policy has longer Internal Lag and why ?.
- Q.5. Differentiate between the expansion effect on output and Interest Rate under Fiscal and Monetary expansion.

SECTION B---Medium Answers (Attempt any four) 4X5 =20

- Q.6. Discuss the lesson learnt from The 'ASIAN TIGERS ' in the growth process .
- Q.7. What is the Natural Rate of Unemployment? Explain Structural and Cyclical unemployment giving suitable examples .
- Q.8. What is 'Balance of Payment ' ? Name its components with examples and discuss the affect of Appreciation of Domestic currency on the Balance of Payment situation of a country .
- Q.9. Under Fixed Exchange Rate , which policy is effective in expanding Income and output and why ?
- Q.10. What is Monetary Policy ? Explain with help of a Diagram the mechanism used in Expanding the Income and Output in an economy with Monetary Policy .

SECTION C -----LONG ANSWERS --- (Attempt any two) 10X2=20

- Q.11 Explain the Endogenous growth model showing the mechanism of self sustaining growth in an Economy .
- Q.12. Derive the IS curve and LM curve and explain , how can the Equilibrium be achieved in an Economy with IS and LM curve .**
- Q.13. What is Crowding Out of Investment with Fiscal Policy ? Explain the extent of 'Crowding Out ' in case of Liquidity Trap and in Classical Case using diagrams where ever needed.