



B1-6-013

Doon University, Dehradun
Semester Final Examination, Second Semester, 2013
School of Social Science

M.Sc. (Economics)
Course - SSE-151/SSE-146 Macroeconomics-II

Time Allowed :3 hrs

Maximum Marks :50

Section - A

Attempt all questions

Marks: 2x5=10

- Q.1 "The size of the multiplier varies directly with the size of the marginal propensity to consume." Elaborate.
- Q.2 Define Golden Rule level of capital? Why might an economic policymaker choose this level?
- Q.3 According to Keynes, what are the main determinants of income and employment in an economy?
- Q.4 What do you mean by neutrality of money?
- Q.5 Illustrate the difference between frictional and structural unemployment with a suitable example.

Section - B

Attempt all questions.

Marks:5x4=20

- Q.1 Distinguish between built in stabilizers and discretionary fiscal policy.
- Q.2 "Keynesian Theory of effective demand is the heart of the modern macroeconomic analysis." Discuss.
- Q.3 Examine the effects in a small open economy of a fiscal expansion on income and trade balance under
- A floating exchange rate
 - A fixed exchange rate
- Q.4 "Policy should be conducted by rules." Justify the statement .

Section - C

Attempt any two questions

Marks:10x2=20

- Q.1 Explain and illustrate the process of income propagation.
- Q.2 Discuss the main objectives and instruments of monetary policy. How monetarist's views differ from economist's views regarding rules for monetary policy?
- Q.3 In the Solow model, how does the saving rate, technological progress and the rate of population growth affect the steady-state level of income?