

(i) Printed Pages : 7

Roll No. ....

(ii) Questions : 9

Sub. Code : 

1	9	8	2
---	---	---	---

Exam. Code : 

3	0	9
---	---	---

M.A. 3<sup>rd</sup> Semester

1125

ECONOMICS (In all Mediums)

Paper-MAECO-301 : Macro Economics-I

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :- Attempt **five** questions in all, including Q. No. I which is compulsory and selecting **one** question each from Units I to IV.

- I. Attempt any **ten** of the following in 25-30 words each :
- (i) Assumptions of Absolute Income Hypothesis of Consumption.
  - (ii) Define Ratchet Effect.
  - (iii) Difference between short run and long run consumption functions.
  - (iv) Limitations of Relative Income Hypothesis of consumption.
  - (v) Distinguish between Autonomous and Induced Investments.
  - (vi) Define User Cost of Capital.
  - (vii) Distinguish between MEC and MEI.
  - (viii) Assumptions of Neo-classical theory of Investment.
  - (ix) Main features of Friedman's Restatement of Quantity Theory of Money.
  - (x) Tobin's contribution to the Theory of Demand for money.

- (xi) Main features of Baumols' Thoery of Demand for Money.
- (xii) Define Money.
- (xiii) Limitations of credit creation by Commercial Banks.
- (xiv) Distinguish between Money Market and Product Market.
- (xv) Define IS and LM Curves. 10×2=20

### UNIT-I

- II. Critically examine the Life Cycle Hypothesis of Consumption. 15
- III. Discuss critically Friedman's Permanent Income Hypothesis of Consumption. 15

### UNIT-II

- IV. Critically evaluate the Accelerator Theory of Investment. 15
- V. Explain Tobin's 'Q' Theory of Investment. How is it an improvement over Neo-Classical and Keynesian Theories of Investment ? 15

### UNIT-III

- VI. Explain the Fisherian and Cambridge versions of the Quantity Theory of Money. 15
- VII. Explain in detail the Keynesian approach to the theory of demand for money. 15