

AH4LPHC550

Reg. No. : 

--	--	--	--	--	--	--	--	--	--

**St Aloysius (Deemed to be University), Mangaluru**

**Semester II – P.G. Examination – M.A. BUSINESS ECONOMICS**

**April- 2025**

**MACRO ECONOMIC ANALYSIS**

Time: 2 ½ Hours

Max. Marks: 60

**SECTION - A**

ST.ALOYSIUS COLLEGE

PG Library

MANGALORE-575 003

(2x10=20)

Answer any **TWO** of the following:

1. Briefly the concepts and measurements of National income accounting
2. Evaluate the implications of the Absolute Income Hypothesis for economic forecasting and policy-making.
3. Discuss Kalecki's theory of investment decision.

**SECTION – B**

Answer any **FOUR** of the following:

(4x6=24)

4. Explain relative income hypotheses of consumption.
5. Explain the monetarist surprise model by Lucas.
6. Explain the determination of the equilibrium level of income & employment.
7. Examine the mechanisms through which New Classical Economics suggests business cycles are self-correcting.
8. Explain Small Menu Cost Model.
9. Apply the concept of imports and exports to demonstrate the functioning of the four-sector circular flow model.

**SECTION – C**

Answer any **FOUR** of the following:

(4x4=16)

10. What is impossible trinity?
11. What is the key assumption of the Permanent Income Hypothesis?
12. Describe the relationship between investment and changes in output according to Accelerator Theory.
13. Write a note on, "Efficiency wages theory".
14. What are the rationale behind the main propositions of New Classical macroeconomics?
15. What is adaptive expectation hypothesis?

\*\*\*\*\*