

**CARMEL COLLEGE OF ARTS, SCIENCE & COMMERCE FOR WOMEN,
NUVEM-GOA**

SEMESTER END EXAMINATION, JUNE 2022

Semester: IV OF BA

Course Title: Macroeconomics-II

Course Code: ECC 104

Total marks: 80

Date:

Duration: 2 Hours

Total No of pages: 02

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- Instructions:**
1. Answer all questions as directed.
 2. Figures to the right indicate marks
 3. Answer sub-questions 1 to 2 in not more than 100 words.
 4. Answer sub-questions 3 to 6 in not more than 400 words.

I. Answer any 4 of the following in not more than 100 words. (4x4=16)

1. How would you describe the IS-LM model?
2. Illustrate the derivation of the IS curve from the savings-investment diagram.
3. Compare and explain the slopes of IS and LM curves.
4. Give examples of factors that can shift the IS curve.
5. Differentiate between the IS-LM and AD-AS models.
6. Give reasons for the downward slope of the AD curve.

II. Answer any 4 of the following in not more than 100 words. (4x4=16)

1. Point out and explain the effect of misperceptions on the SRAS?
2. How do sticky wages affect aggregate supply?
3. What do you understand by the concepts of deflation, disinflation, inflation and stagflation?
4. Summarize the causes of demand-pull inflation.
5. Analyze the relationship between inflation and unemployment in the short-run.
6. How would you distinguish between recession and depression?

III. A. Illustrate graphically and explain the effect of an increase in Government purchases on the IS curve. 12

OR

III. B. Apply the IS-LM model to illustrate the effects of an adverse supply shock, for instance, a rise in global crude oil price, on general equilibrium in an affected nation. 12

IV. A. Illustrate graphically the effects of changes in money supply and money demand on the LM curve. 12

OR

IV. B. How is the AD curve derived from the IS-LM model? Explain the derivation with a neat figure. **12**

V. A. Justify the slope of the long run aggregate supply curve. What are the factors determining long run aggregate supply? **12**

OR

V. B. Explain and illustrate the occurrence of output gaps when the economy is not in general equilibrium in the AD-AS models. **12**

VI. A. Discuss the different types of unemployment. **12**

OR

VI.B. Is the original Phillip's Curve hypothesis valid in the long run? Justify your answer. **12**

The End