

Mid-West University
Examinations Management Office
Birendranagar, Surkhet
End Semester - Examination, 2082

Subject: DE 522- Macroeconomic Analysis II

FM: 60

Level/program: Master (M.A)

Semester: II

Time: 3 Hours

PM: 30

Candidates are required to answer the questions in their own words as far as practicable.

Attempt ALL of the following Very Short Answer Questions.

10x1=10

1. Define inflation.
2. Name any two economists associated with the demand for money.
3. What is meant by deflation?
4. Mention one feature of the Keynesian theory of money demand.
5. What is the Philips curve?
6. Introduce money illusion.
7. Mention any two policy measures to control inflation.
8. Who introduced the innovation theory of business cycle?
9. What do you mean by monetary policy?
10. What is meant by macroeconomic imbalance?

Attempt any THREE of the Following Short Questions.

3x8=24

11. Compare the classical and Keynesian views on the demand for money.
12. Explain the Patinkin real balance effect.
13. Discuss the adaptive expectations theory of inflation.
14. Critically explain the Kaldor's business cycle.

Attempt any TWO of the Following Long Questions.

2x13 =26

15. How can monetary and fiscal policies be used to control business cycles? Provide examples to support your arguments.
16. Examine the neoclassical critique of micro-foundations in macroeconomics. What are main arguments against the Keynesian framework?
17. Discuss the macroeconomic trends in Nepal and suggest suitable policy reforms to address current challenges.
