

Name:
Enrolment No:



UNIVERSITY WITH A PURPOSE

UNIVERSITY OF PETROLEUM & ENERGY STUDIES

End Semester Examination (Online) – July, 2020

Course: Macroeconomics II
Program: BA (Hons.) Energy Economics
Course code: ECON 1008

Semester: II
Time: 3 Hrs.
Max. Marks: 100

IMPORTANT INSTRUCTIONS

1. The student must write his/her name and enrolment no. in the space designated above.
2. The questions have to be answered in this MS Word document.
3. After attempting the questions in this document, the student has to upload this MS Word document on Blackboard.

Attempt all the questions

		Marks	COs
Q.1	Why most of the effect of an inflationary policy is dissipated in costly anticipated inflation? Illustrate using theory of rational expectations.	20	CO1
Q.2	Examine how the government can make use of the super-multiplier to influence the level of economic activity and national income through government expenditure.	20	CO2
Q.3	Give an example of a favorable shock to aggregate supply. Use the model of aggregate demand and aggregate supply to explain the effects of such a shock. How does it affect the Phillips curve?	20	CO3
Q.4	"According to Schumpeter, not the failure of capitalism but its very success, eventually leads to the slaughter of the goes that lays the golden egg." Critically examine the statement.	20	CO4
Q.5	Examine the role of savings and investment in the growth process, as expounded by Harrod and illustrate the implications of this relationship.	20	CO3, CO4

ANSWERS