

*This question paper contains 2 printed pages.*

2243

Your Roll No. ....

**M.A. / Winter Semester**

**A**

**ECONOMICS**

Course 205— Topics in Macroeconomic Theory

(Admissions of 1999 and onwards)

Time : 2½ hours

Maximum Marks : 70

*(Write your Roll No. on the top immediately  
on receipt of this question paper.)*

*Attempt any three of the following questions.*

1. Analyze the effect of a labour-income tax in the unit-elastic version of the Ramsey model (with endogenous labour supply). 23½
2. (a) Derive the aggregate Euler equation in the Blanchard-Yaari model.  
(b) Show that Ricardian Equivalence does not hold in this model. 10,13½
3. "New Keynesian Macro models promised to deliver micro-foundations of Keynesian economics but have failed in doing so." Discuss this in the context of both the real and the monetary versions of the New Keynesian model. 23½

P. T. O.

4. In a decentralized version of the Ramsey Model, examine the consequences of costly search for both workers (with strictly concave utility functions) and firms (with a constant-returns-to-scale technology). (You should derive the dynamic equations and analyze the steady state.)

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