

S.No. : 470

BCOM 1203

No. of Printed Pages : 04

Following Paper ID and Roll No. to be filled in your Answer Book.

PAPER ID : 27809

Roll
No.

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

B. COM (Hon's) Examination 2021-22
(Even Semester)

MACRO ECONOMICS

Time : Three Hours]

[Maximum Marks : 60

Note :- Attempt all questions.

SECTION – A

1. Attempt all parts of the following : $8 \times 1 = 8$
- (a) Give one limitation of macro economics.
 - (b) Distinguish between stock and flow.
 - (c) Write the formula for marginal efficiency of capital.
 - (d) Give an example of autonomous investment.
 - (e) Define demand pull inflation.
 - (f) Write the constituents of M3.

[P. T. O.

- (g) Who gave IS-LM model?
- (h) Give an example of expansionary fiscal policy.

SECTION – B

2. Attempt any two parts of the following : $2 \times 6 = 12$

- (a) What do you understand by circular flow of income? Explain circular flow of income in 4 sector economy.
- (b) Explain with the help of diagram (graph) and equations determination of income in 3 sector model of economy.
- (c) Trace the evolution of money to present. Also tell the functions of money.
- (d) How can one explain the shift in IS-LM curve due to change in monetary and fiscal policy?

SECTION – C

Note:- Attempt all questions. Attempt any two parts from each questions. $5 \times 8 = 40$

3. (a) Explain the income and expenditure methods of computing national income.

- (b) Write the formula for :
- (i) N. D. P. at factor cost
 - (ii) N. N. P. at market price
 - (iii) Disposable personal income
 - (iv) G. N. P. at market price
 - (v) Operating surplus
- (c) Write short note on the following :
- (i) Leakages and injections in circular flow of income
 - (ii) Precautions in estimating national income
4. (a) Explain the classical theory of income and employment. Why was it criticized?
- (b) What do you mean by consumption function? Explain the factors influencing consumption function.
- (c) If $C = 50 + 0.50y$ and investment expenditure is 72,000 in an economy. Calculate :
- (i) Equilibrium level of national income
 - (ii) Consumption expenditure at equilibrium level of national income

[P. T. O.]

5. (a) What are the demand for money according to Keynes? How it differentiated from Friedmanian approach.
- (b) Discuss the various measures of money supply adopted by the Reserve Bank of India. Which measure of money possess more liquidity and why?
- (c) Discuss the causes of inflation. How can it be controlled?
6. (a) Explain the principal instruments of monetary policy. What are their limitations?
- (b) Discuss the policy which should be adopted by the institutions at times of depression and boom. Discuss both separately.
- (c) The following equation describe the economy.
- $$C = 10 + 0.5 y \text{ (consumption function)}$$
- $$I = 190 - 20 i \text{ (investment function)}$$
- Derive the equation for IS curve and represent it graphically.
