

S.No. : 291

BCOM 3205

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

PAPER ID : 47810

Roll
No.

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B. Com. (Honours) 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 saving and investment.
- (c) Write the formula for marginal propensity to consume.
- (d) Write the sources of money supply in an economy.
- (e) Give an example of indirect tax.

[P. T. O.]

- (f) Distinguish between autonomous investment and induced investment.
- (g) What do you understand by multiplier in an economy?
- (h) Give an example of expansionary monetary policy.

SECTION – B

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

- (a) What are the main conceptual problem involved in the estimation of national income? How can they be overcome?
- (b) What do you mean by saving function? Explain the paradox of thrift.
- (c) Explain the concept of propensity to consume and show how it occupies a strategic position in the theory of employment.
- (d) Explain the role of monetary and fiscal policy in the approach of IS-LM curve.

SECTION – C

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

3. (a) Calculate :

(i) Equilibrium level of income

(ii) Consumption level

when $c = 200 + 0.8 (Y - T)$; $I = 300$; $T = 120$;
 $G = 200$, $X = 100$, $M = 0.05 Y$.

(b) Distinguish between micro-economics and macro-economics. Explain the important variables of macro-economics.

(c) The following is the information from the national income accounts for a hypothetical country :

G. N. P. ₹ 5,000

Personal disposable income ₹ 4,100

Consumption ₹ 3,800

X-M ₹ 50

Government deficit (Budget) ₹ 200

[P. T. O.]

Calculate :

- (i) Gross investment
- (ii) Government expenditure

4. (a) Explain keynes approach to income and employment.
- (b) What is consumption function? Give its assumptions also.
- (c) In an economy investment increases by ₹ 200 crore. As a result of it, total income increases by ₹ 1,000 crore. Calculate :
- (i) MPC
 - (ii) MPS
5. (a) What do you mean by saving? Explain the determinants of savings.
- (b) Explain the following :
- (i) Leakages and injections
 - (ii) Inventory investment
- (c) Explain the concept of multiplier. Point out the short comings of multiplier theory.

6. (a)

(b)

(c)

6. (a) What do you understand by quantity theory of money? Identify the assumptions associated with it.
- (b) What is 'speculative demand for money'? What is Tobin's approach to demand for money?
- (c) Explain with the help of graphs shift in IS-LM curve. What are the reasons behind criticism of IS-LM curve?

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