



PG -753

I Semester M.Com. Degree Examination, January 2015  
(CBCS)

COMMERCE

Paper – 1.3 : Macro Economics for Business Decisions

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer **any seven** of the following in **3 – 4 lines each**. Each question carries 2 marks. (7×2=14)
- What is meant by Gross National Product ?
  - State any four goals of economic system.
  - What is meant by Per Capita income ?
  - What is Statutory Liquidity ratio ?
  - What do you mean by disguised unemployment ?
  - What is Recession ?
  - What is Risk averse consumption ?
  - What is incremental capital output ratio ?
  - What is repo and reverse repo rate ?
  - What is Marginal Efficiency of Capital ?

SECTION – B

Answer **any four** questions. Each question carries 5 marks. (4×5=20)

- Discuss various factors affecting National Income.
- Explain the Keynesian Consumption Function.
- Enumerate the various tools of monetary policy.
- Discuss the significance of economic policies.
- Explain various resources of economic systems.
- Explain in details the economic development in India.

P.T.O.



SECTION – C

Answer any three questions. Each question carries 12 marks.

(3×12=36)

8. Define multiplier. Bring out the significance and limitations of multiplier.
  9. Explain the measures of control imposed by the RBI to regulate the monetary system of India.
  10. "Fiscal policy refers to the policy of the government regarding public revenue, public expenditure and public debt". Elucidate.
  11. Explain in detail various problems of Economic Growth and Development of India.
  12. "Free market economy enables better allocation of resources, promotes innovation and injects dynamism in the industry". Substantiate this statement highlighting the significance of free market economy.
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PG – 880

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SECTION – A

1. Answer **any seven** of the following in 3-4 lines **each**. **Each** question carries 2 marks : (7×2=14)
- a) What is economic system ?
  - b) What is circular flow of payments ?
  - c) What is meant by NNP ?
  - d) What is a saving function ?
  - e) What is Absolute income hypothesis of keynes ?
  - f) What is autonomous investment ?
  - g) What is aggregate demand ?
  - h) What is conspicuous consumption ?
  - i) What is disposable income ?
  - j) Comment on the contributions of Adam Smith.

SECTION – B

Answer **any four** questions. **Each** question carries 5 marks. (4×5=20)

- 2. Explain the interface of macro economics with business and industry.
- 3. Define National income. Explain the variables included in National Income.

P.T.O.



4. Explain the main functions of RBI.
5. What are the components of public debt ?
6. What is investment multiplier ? How it is applied in business ?
7. Bring out the Quantity theory of money as envisaged by Milton Friedman.

SECTION – C

Answer **any three** questions. **Each** question carries **12** marks.

**(3×12=36)**

8. Explain the meaning and scope of macro economics.
  9. Discuss the concepts of MPC and MPS with the help of a numerical example and the graph.
  10. Explain various functions of money.
  11. What are fiscal variables ? Add a note on impact of fiscal policy on business.
  12. What is economic growth ? Comment on the conflict between growth and stability.
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