(2007-08) (N.S.)
COMMERCE
Paper - 1.4: Macro Economics for Business Decisions

Time: 3 Hours
Max. Marks: 80

SECTION - A

1. Answer any ten of the following sub-questions in about 3-4 lines each. Each sub-question carries two marks. (10×2=20)
   a) State the objectives of macro economics.
   b) Distinguish between monetary policy and fiscal policy.
   c) What is Read GDP?
   d) What is marginal propensity to consume?
   e) What is investment demand curve?
   f) Define multiplier. Give an example.
   g) Distinguish between nominal rate of interest and real rate of interest.
   h) What is financial intermediation?
   i) What are financial assets? Give two examples.
   j) Define economic growth.
   k) State the drivers of economic growth.
   l) What is Production Possibility Frontier (PPF)?

SECTION - B

Note: 1) Answer any three questions in about a page each.
2) Each question carries five marks. (3×5=15)

2. Explain the linkage between Macro Economic and business planning and decision making.
3. Describe the components of an economic system.

4. Outline the linkages among savings, consumption and investment.

5. What is Fiscal Policy? What are the objectives of fiscal policy in a developing country?

6. Describe the factors determining the economic growth.

SECTION – C

Note: 1) Answer any three questions.
2) Each question carries 15 marks. \((3 \times 15 = 45)\)

7. Critically examine the different approaches advocated for measuring the national income.

8. Explain the major features of consumption and savings functions.

9. Critically examine the process of commercial banks in creation of credit and their limitations.

10. What is structure of interest rates? Explain its utility to business managers.

11. What is a trade cycle? What are its phases? Explain the mechanism to overcome the trade cycles.
SECTION - A

1. Answer any ten of the following sub-questions in about 3-4 lines each. Each sub-question carries two marks. (10x2=20)

   a) What is Macroeconomics?

   b) Explain the concept of GNP.

   c) What is meant by marginal propensity to consume?

   d) What is fiduciary money?

   e) What do you mean by Interest Rate Structure?

   f) Mention the four wheels of economic growth.

   g) Differentiate between Monetary Policy and Fiscal Policy.

   h) What is Learner’s concept?

   i) What do you mean by Galloping inflation?

   j) What is Liquidity trap?

   k) Define capital output ratio.

   l) What is production possibility frontier (PPF)?
SECTION – B

Note : 1) Answer any three questions in about a page each.
2) Each question carries five marks. \((3 \times 5 = 15)\)

2. Explain the interface of macro economics with Business and Industry.

3. What is fiscal policy? Explain its objectives.

4. Explain the role of financial intermediaries in economic growth.

5. Explain the difficulties encountered in computation of N.I.

6. What is Inflation? What are the fiscal measures to control it? Explain.

SECTION – C

Note : 1) Answer any three questions.
2) Each question carries 15 marks. \((3 \times 15 = 45)\)

7. What factors have attributed to recent economic tsunami? Explain the techniques used by RBI to overcome this problem.

8. How do you differentiate between economic growth and economic development? Explain the factors determining the economic growth.

9. The size of the multiplier varies directly with the size of the marginal propensity to consume. Discuss.

10. What is Money? Explain the dynamic role of money and its economic effects.

11. What are Business cycles? Explain the measures to overcome the business cycles.
I Semester M.Com. Degree Examination, February 2010
(NS) (2007-08 Scheme)
1.4 : MACRO ECONOMICS FOR BUSINESS DECISIONS

Time : 3 Hours Max. Marks : 80

Instruction : Answer all Sections.

SECTION – A

1. Answer any ten of the following sub-questions in about 3-4 lines. Each sub-question carries two marks. 

a) Differentiate between macroeconomics and microeconomics.

b) What is a mixed economy ?

c) Define consumption function.

d) What do you mean by Net National Product ?

e) What is multiplier effect ?

f) What is market rate of interest ?

g) Define Monetary Policy.

h) What do you understand by marginal propensity to save ?

i) Mention the objectives of fiscal policy.

j) What is capital output ratio ?

k) Differentiate between inflation and deflation.

l) What is business cycle ?

P.T.O.
SECTION – B

Note: 1) Answer any three questions in about a page each.
2) Each question carries five marks.

(3×5=15)

2. Discuss the significance of macro-economic analysis in business decisions.
3. What is National Income? What are the methods of measuring national income?
4. Explain consumption function. What is its impact on saving and investment?
5. What is a fiscal policy? What are its objectives?
6. Explain the paradox of thrift.

SECTION – C

Note: 1) Answer any three questions.
2) Each question carries 15 marks.

(3×15=45)

7. Explain the role of monetary policy in accelerating economic development.
8. Enumerate the difficulties which an underdeveloped economy faces in the calculation of national income.
9. Examine critically the classical theory of income and employment.
10. "Inflation is an excess of aggregate demand over aggregate supply". Discuss this statement and analyse the factors which cause inflation.
11. Discuss briefly the principal methods adopted by a central bank to control credit.
I Semester M.Com. Degree Examination, February / March 2011
(New Semester Scheme) (2007-08)

COMMERCe

1.4: Macro Economics for Business Decisions

Time: 3 Hours  Max. Marks: 80

SECTION – A

1. Answer any ten of the following sub-questions in about 3-4 lines each. Each sub-question carries two marks. (10×2=20)

a) Define macro economics.

b) What is per capita income?

c) What is capital output ratio?

d) What do you mean by capital formation?

e) Define fiscal policy.

f) What is cheap money policy?

g) What is statutory liquidity ratio?

h) What do you mean by selective credit control?

i) Define inflation.

j) What are the tools of fiscal policy?

k) What do you mean by disguised unemployment?

l) What is meant by marginal propensity consume?

P.T.O.
SECTION – B

Note: 1) Answer any three questions in about a page each.
2) Each question carries five marks.

(3×5=15)

2. Distinguish between micro-economics and macro-economics.
3. Explain the role of national income in business decisions.
4. What are the factors determining the economic growth? Explain.
5. Explain in brief the objectives of fiscal policy.
6. Explain the effect of taxation on income.

SECTION – C

Note: 1) Answer any three questions.
2) Each question carries 15 marks.

(3×15=45)

7. Discuss the role of monetary policy in economic development.
9. What are the problems in the computation of national income? Explain.
10. What are the sources of savings in India? Suggest measures for raising the rate of savings.
11. Discuss the various policies towards economic stability.
1. Answer any ten of the following sub-questions in about 3-4 lines. Each sub-question carries two marks. (10x2=20)
   a) Define national income.
   b) What do you mean by monetary system?
   c) What is incremental capital output ratio?
   d) Define free market economy.
   e) What is trading down?
   f) Define Harrod-Domar Growth Model.
   g) What is disposable personal income?
   h) What do you mean by scarcity inflation?
   i) What is macro economic equilibrium?
   j) Define paradox of thrift.
   k) What is repo and reverse repo rate?
   l) What do you mean by business cycle?

SECTION - B

Note: 1) Answer any three questions in about a page each.
   2) Each question carries five marks. (3x5=15)

2. Discuss the interface of macroeconomics with business and industry.
3. What is marginal propensity to consume? Suggest the measures to improve it.
4. Enumerate the various tools of monetary policy.
5. What are the determinants of economic growth?

6. Write a note on co-ordination of monetary and fiscal policies.

SECTION - C

Note: 1) Answer any three questions.
2) Each question carries 15 marks. (3\times15=45)

7. Highlight the significance of national income analysis to business people. How do you estimate national income? Point out difficulties associated with measurement of national income.

8. "Fiscal policy refers to the policy of the government regarding public revenue, public expenditure and public debt". Elucidate.

9. What are various economic systems? Explain the essential features of each one of them. Which economic system do you prefer and why?

10. Discuss the different stages of inflation. Give a detailed description about the various measures adopted by central bank to control inflation.

11. Define multiplier. Bring out the significance and limitations of multiplier.