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I Semester M.Com. Examination, April/May 2024
(CBCS)
COMMERCE
Paper – 1.3 : Macro Economics for Business Decisions

Time : 3 Hours

Max. Marks : 70

Instruction : All the questions should be answered as per instructions.

SECTION – A

Answer **any seven** sub-questions out of the following questions. **Each** sub-question carries **two** marks. (7×2=14)

1. a) Write any two goals of economic system.
- b) What is disposable personal income ?
- c) Give any two reasons for runaway inflation.
- d) What is repo and reverse repo rates ?
- e) What is risk adverse consumption ?
- f) What is marginal efficiency of capital ?
- g) Mention any two determinants of economic growth.
- h) What do you understand by demand deficient unemployment ?
- i) What is capital output ratio ?
- j) What is Fiscal Variable ?



SECTION – B

Answer **any four** questions out of the following. **Each** question carries **five** marks. (4×5=20)

2. Briefly explain the four phases of business cycle.
3. Explain the Keynesian theory of income and employment.
4. Write a detailed note on Public Finance.

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5. Briefly explain the functions of money.
6. Write a summary of your understanding on paradox of thrift.
7. Elucidate the linkages between macroeconomics and business decisions.

SECTION – C

Answer **any three** questions of the following. **Each** question carries **twelve** marks.

(3×12=36)

8. Explain the various problems in the measurement of National Income with reference to Developing Nations.
9. Discuss the different stages of inflation. Give a detailed description about the various measures adopted by Reserve Bank of India to control inflation.
10. Briefly enumerate the fiscal policy initiatives of Government of India in reviving Indian economy from COVID-19 disruptions.
11. "The free-market economy is supposed to be the only path leading to the happiness of humanity by promoting wealth and prosperity, power and influence of nations." Substantiate this statement and highlight the deficiencies of government interventions.
12. Discuss the relative importance of MPC and MPS with the help of a suitable numerical example and graph.

