



**PJ-501**

**100922**

**3**

I Semester M.Com. Examination, February - 2020

(CBCS Scheme)

**COMMERCE**

**Paper-1.3 : Macro Economics for Business Decisions**

Time : 3 Hours

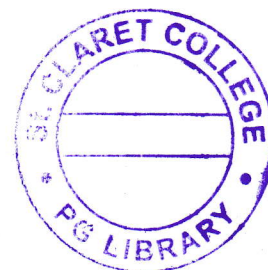
Max. Marks : 70

*Instruction : Answer all sections.*

**SECTION - A**

Answer **any seven** sub-questions. Each sub-question carries **2** marks. **7x2=14**

1. (a) Define free market.
- (b) What are different methods of measuring National Income ?
- (c) What is circular flow of income ?
- (d) What is Autonomous investment ?
- (e) What is multiplier effect ?
- (f) Define Full employment.
- (g) Mention the different phases of business cycle.
- (h) What is capital output ratio ?
- (i) Define money.
- (j) What do you understand by the term Public-debt ?



**SECTION - B**

Answer **any four** question. Each question carries **5** marks.

**4x5=20**

2. Briefly explain the different concepts of National Income.
3. Enumerate the significance of Marginal Propensity to save.
4. What is the role of credit and interest rates in bringing economic equilibrium ? Elucidate.
5. Explain the measures to achieve full employment.
6. Explain the objectives of Fiscal Policy.
7. Briefly explain the instruments of Monetary Policy.

**P.T.O.**

**SECTION - C**

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

**3x12=36**

8. "Macro economics is of much theoretical and practical importance as a method of economic analysis". Elucidate.
9. Describe the factors influencing consumption function.
10. How is investment multiplier related to marginal propensity to consume ? Explain.
11. Discuss the role of Fiscal Policy in achieving economic stability.
12. Explain the various measures that can be adopted to check inflation.

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