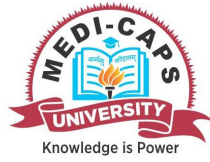


Enrollment No.....



Faculty of Management
End Sem (Odd) Examination Dec-2018
CM3EG02 Macro Economics

Programme: B.Com. (Hons.) Branch/Specialisation: Commerce

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Macro Economics is the study of- **1**
 (a) Individual (b) Aggregates of economic system
 (c) Part of an economy (d) None of these
- ii. According to classical Economists the “markets” in Economy are- **1**
 (a) Labour market (b) Commodity Market
 (c) Capital Market (d) All of these
- iii. Macro Economics is useful in the study of- **1**
 (a) Determination of monetary Theory
 (b) Fiscal Theory of Economics
 (c) Exim Policy
 (d) All of these
- iv. Traditional Definition of National Income is given by- **1**
 (a) Marshall (b) Bolder (c) J.K.Mehta (d) Keynes
- v. Supply creates its own Demand- **1**
 (a) J.B.Say (b) Ricardo (c) Marshall (d) Robins
- vi. The difference between GNP and GDP is – **1**
 (a) Gross Foreign Investment
 (b) Net Foreign Income
 (c) Net Export
 (d) Net Factor Income
- vii. The formula of Total Demand for Money is- **1**
 (a) $MD = M1 + M2$ (b) $MD = M2 + M0$
 (c) $MD = M4 + M5$ (d) $MD = M4 - M2$

- viii. Money Theory is based up on- **1**
 (a) Quality and Price of Money
 (b) Supply of money
 (c) Demand of Money
 (d) Purchasing power of money
- ix. Inflation is the Situation- **1**
 (a) Price of Money Decrease (b) Price of Commodities increases
 (c) Both (a) and (b) (d) None of these
- x. Which of the following phase shows contraction in the business cycle? **1**
 (a) Peak (b) Recession (c) Trough (d) Expansion
- Q.2 i. Define Macro Economics. **2**
 ii. Explain Significance of Macro-Economics. **8**
 OR iii. Describe Limitations of Macro Economics. **8**
- Q.3 i. Explain Concept of National Income. **2**
 ii. Elaborate Circular flow of National Income in Two Sector Economy. **8**
 OR iii. Explain difficulties in measuring of National Income, **8**
- Q.4 i. Write a short note on Say’s Law of market. **2**
 ii. Explain Keynes Theory of Employment. **8**
 OR iii. Describe concept of APC and APS. **8**
- Q.5 Attempt any two:
 i. Define Money and Explain its Functions. **5**
 ii. Explain Measures of Money Supply in brief. **5**
 iii. Differentiate between Fisher’s Quantity Theory and Cambridge’s Cash Balance Theory. **5**
- Q.6 Attempt any two:
 i. Define Business Cycle. **5**
 ii. Define Inflation. Explain its types in brief. **5**
 iii. Describe Quantitative instrument of Monetary Policy. **5**

P.T.O.

Marking Scheme
CM3EG02 Macro Economics

Q.1	i.	Macro Economics is the study of-		1
		(b) Aggregates of economic system		
	ii.	According to classical Economists the “markets” in Economy are-		1
		(d) All of these		
	iii.	Macro Economics is useful in the study of-		1
		(d) All of these		
	iv.	Traditional Definition of National Income is given by-		1
		(a) Marshall		
	v.	Supply creates its own Demand-		1
		(a) J.B.Say		
	vi.	The difference between GNP and GDP is –		1
		(b) Net Foreign Income		
	vii.	The formula of Total Demand for Money is-		1
		(d) $MD = M4 - M2$		
	viii.	Money Theory is based up on-		1
		(a) Quality and Price of Money		
	ix.	Inflation is the Situation-		1
		(c) Both (a) and (b)		
	x.	Which of the following phase shows contraction in the business cycle?		1
		(a) Peak		
Q.2	i.	Macro Economics.		2
		Definition	1 mark	
		One definition by any economist	1 mark	
	ii.	8 points of Significance each point carry 1 mark	(1 mark *8)	8
OR	iii.	8 points of Limitations each point carry 1 mark	(1 mark *8)	8
Q.3	i.	Concept of National Income.		2
		Meaning or explanation	1 mark	
		One definition by any economist	1 mark	
	ii.	Circular flow of National Income in Two Sector Economy		8
		Basic explanation of two sector	2 marks	
		Diagram/chart	3 marks	
		Explanation of chart	3 marks	
OR	iii.	8 points of difficulties each point carry 1 mark	(1 mark *8)	8

Q.4	i.	Say’s Law of market.		2
		Basic Concept	1 mark	
		Definition / example	1 mark	
	ii.	Keynes Theory of Employment.		8
		Basic + principle of effective demand	2 marks	
		Aggregate demand and aggregate supply	2 marks	
		Chart of equilibrium and explanation	4 marks	
OR	iii.	Concept of APC and APS.		8
		Explanation with table / formula / example / diagram		
		APC	4 marks	
		APS	4 marks	
Q.5		Attempt any two:		
	i.	Money meaning and definition	1 mark	5
		Three Functions of money	4 marks	
	ii.	Four Measures of Money Supply		5
		each carry 1.25 marks	(1.25 mark *4)	
	iii.	Five Difference Fisher’s Quantity Theory and Cambridge’s Cash Balance Theory. Each carry 1 mark	(1 mark * 5)	5
Q.6		Attempt any two:		
	i.	Business Cycle.		5
		Meaning and definition	2.5 marks	
		Diagram and explanation	2.5 marks	
	ii.	Inflation meaning and definition	1 mark	5
		Types of inflation	4 marks	
	iii.	Quantitative instrument of Monetary Policy.		5
		Explanation of 5 instruments each carries 1 mark	(1 mark * 5)	
