H   Roll No. ....

BCH–203

B. COM. (H) (SECOND SEMESTER)
MID SEMESTER
EXAMINATION, April, 2023
MACRO ECONOMICS
Time : 1½ Hours
Maximum Marks : 50

Note : (i) Answer all the questions by choosing any *one* of the sub-questions.

(ii) Each sub-question carries 10 marks.

1. (a) "Macroeconomic variables are indicators signaling the current trends of the economy." Validate the statement in light of any *four* variables.　(CO1)

OR

(b) Select the most realistic model of circular flow of income and elaborate on the same.

(CO1)

2. (a) "Macrodynamic Analysis helps in viewing a "motion picture" of the economy in contrast to a static image." Elaborate.

(CO1)

OR

(b) Discuss the importance of Macroeconomics for the policymakers.

(CO1)

3. (a) "The line between macroeconomics and microeconomics cannot be precisely drawn." Justify. (CO1)

OR

(b) "Macroeconomics is based on aggregate of facts and aggregates may not always be entirely true for the whole economy." Illustrate. (CO1)

4. (a) Discuss any *two* Monetary Policy tools and elaborate with example how RBI uses them to regulate the supply of money in the economy. (CO2)

OR

(b) "In the short-run prices and wages cannot react quickly to the market changes." Discuss in light of evident consequence.

(CO2)

5. (a) Keeping the aggregate demand formula in view discuss what affects aggregate demand. (CO2)

OR

(b) The aggregate supply curve indicates a tradeoff between inflation and unemployment. Discuss. (CO2)