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Enrollment No.....



Faculty of Commerce
End Sem Examination May 2025
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. Assume suitable data if necessary. Notations and symbols have their usual meaning.

		Marks	CO	BL
Q.1	i. 'Income of the family' is the example of which variable?	1	1	1
	(a) Stock (b) Flow			
	(c) Both Stock and Flow (d) None of these			
	ii. What is known as the study of individual units?	1	1	1
	(a) Macroeconomics			
	(b) Microeconomics			
	(c) Income and employment theory			
	(d) Development economics			
	iii. The Net Value of GDP after deducting depreciation from GDP is-	1	2	1
	(a) NNP (b) NDP			
	(c) GNP (d) Disposable Income			
	iv. Macro Economics is a study of economics that deals with four major factors-	1	2	1
	(a) Households, firms, Government and Demand Supply			
	(b) Households, firms, Government and external sectors			
	(c) Firms, Government, marketing and Regulations			
	(d) None of these			
	v. The average propensity to consume is measured by-	1	3	1
	(a) C/Y (b) C=Y			
	(c) Y/C (d) C+Y			

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vi.	Say's law of market says-	1	3	1
	(a) Supply creates its own demand			
	(b) Income generated demand			
	(c) Savings create demand			
	(d) None of these			
vii.	Fisher's quantity theory of money is based on the essential function of money as-	1	4	1
	(a) Medium of exchange			
	(b) Standard of deferred payment			
	(c) Store of value			
	(d) Measure of value			
viii.	Cash Balance Approach was given by-	1	4	1
	(a) Irving Fisher			
	(b) J.M. Keynes			
	(c) G. Crowther			
	(d) Cambridge University Professors			
ix.	If RBI reduces the Cash Reserve Ratio, what will happen to the credit creation?	1	5	1
	(a) There will be no impact			
	(b) It will increase			
	(c) It will decrease			
	(d) None of the these			
x.	Which of the following concepts is the opposite of inflation?	1	5	1
	(a) Deflation			
	(b) Stagflation			
	(c) Recession			
	(d) None of the these			
Q.2	i. Distinguish between: -	2	1	1
	(a) Stock variables and flow variables			
	ii. Distinguish between: -	3	1	2
	(a) Micro-economics and macro-economics			
	iii. Explain the Importance of macro-economics.	5	1	2
OR	iv. Explain the limitations of macro-economics.	5	1	2

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Q.3	i. What do you mean by national income.	2	2	2
	ii. Explain the circular flow of income in four sectors economy with diagram.	8	2	2
OR	iii. Explain the expenditure method of calculating national income.	8	2	2
Q.4	i. Explain concept of investment. Elaborate types of Investment.	4	3	2
	ii. What do you mean by J.B. Say's law of market?	6	3	2
OR	iii. Explain Keynes's theory of employment in detail.	6	3	2
Q.5	i. Explain M1 concept of money supply.	2	4	3
	ii. What do you mean by money? Explain functions of money?	8	4	2
OR	iii. Explain Irving fisher's quantity theory of money.	8	4	3
Q.6	Write short note (Attempt any two)			
	i. Phases of business cycles.	5	5	2
	ii. Monetary policy instruments to control inflation.	5	5	4,5
	iii. Fiscal policy – its objectives and instruments.	5	5	2

Marking Scheme

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Q.1	i)	b. Flow	1
	ii)	b. Microeconomics	1
	iii)	b. NDP	1
	iv)	b. Households, firms, Government and external sectors	1
	v)	a. C/Y	1
	vi)	a. Supply creates its own demand	1
	vii)	a. Medium of exchange	1
	viii)	b. J.M.Keynes	1
	ix)	b. It will increase	1
	x)	a. Deflation	1
Q.2	i.	2 Differences (1*2 Marks)	2
	ii.	3 Differences (1*2 Marks)	3
	iii.	As per the explanation	5
OR	iv.	As per the explanation	5
Q.3	i.	Meaning of National Income. (2 Marks) Write meaning	2
	ii.	Explanation (5 Marks) 4 sector economy Diagram (3 Marks)	8
OR	iii.	As per the explanation Expenditure method	8
Q.4	i.	concept of investment. (2 Marks) types of Investment (2 Marks)	4
	ii.	As per the explanation JB soup & market	6
OR	iii.	As per the explanation Explain Keynes theory	6
Q.5	i.	Meaning (2 Marks)	2
	ii.	Meaning of Money (2 Marks) Functions of Money (6 Marks)	8
OR	iii.	As per the explanation Irving Fisher Concept-2M Assumption -1M Explanation-4M Criticism-1M	8
Q.6		Write short note (Attempt any two)	
	i.	Phases of Business Cycles (As per the explanation)	5
	ii.	Monetary policies instruments to control inflation (any 5 measures)	5
	iii.	Fiscal Policy – its objectives and instruments. (As per the explanation)	5
