

Total No. of Questions: 6

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Enrollment No.....



**Faculty of Commerce
End Sem Examination May 2025**

CM3EGO2 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			

	[2]			[3]	
vi.	Say's law of market says-		1 3 1	Q.3	i. What do you mean by national income. 2 2 2
	(a) Supply creates its own demand			ii. Explain the circular flow of income in four sectors economy with diagram. 8 2 2	
	(b) Income generated demand			OR iii. Explain the expenditure method of calculating national income. 8 2 2	
	(c) Savings create demand			Q.4	i. Explain concept of investment. Elaborate types of Investment. 4 3 2
	(d) None of these			ii. What do you mean by J.B. Say's law of market? 6 3 2	
vii.	Fisher's quantity theory of money is based on the essential function of money as-	1 4 1		OR iii. Explain Keynes's theory of employment in detail. 6 3 2	
	(a) Medium of exchange			Q.5	i. Explain M1 concept of money supply. 2 4 3
	(b) Standard of deferred payment			ii. What do you mean by money? Explain functions of money? 8 4 2	
	(c) Store of value			OR iii. Explain Irving fisher's quantity theory of money. 8 4 3	
	(d) Measure of value			Q.6	Write short note (Attempt any two)
viii.	Cash Balance Approach was given by-	1 4 1		i. Phases of business cycles. 5 5 2	
	(a) Irving Fisher			ii. Monetary policy instruments to control inflation. 5 5 4,5	
	(b) J.M. Keynes			iii. Fiscal policy – its objectives and instruments. 5 5 2	
	(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: - (a) Stock variables and flow variables	2 1 1			
	ii. Distinguish between: - (a) Micro-economics and macro-economics	3 1 2			
	iii. Explain the Importance of macro-economics.	5 1 2			
OR	iv. Explain the limitations of macro-economics.	5 1 2			

Marking Scheme

CM3EG02 Macro Economics

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
