Q.P. Code : 60553

First Semester M.Com. Degree Examination,
January/February 2020

(CBCS Scheme)

Commerce

Paper 1.3 — MACRO ECONOMICS FOR BUSINESS DECISIONS

Time : 3 Hours]

[Max. Marks : 70

## SECTION – A

1. Answer any **SEVEN** of the following sub-questions in about 3-4 lines. Each sub-question carries **2** marks : (7 × 2 = 14)

   (a) What do you mean by GDP Vs GDP Per Capita?

   (b) What is constant unitary elasticity?

   (c) What is the price elasticity of supply?

   (d) What do you mean by the lender of last resort?

   (e) What is Learner's concept?

   (f) Define economic growth and stability.

   (g) State the fiscal variables.

   (h) Define National Income.

   (i) State the various economic systems.

   (j) What is CRR?

## SECTION – B

Answer any **FOUR** questions out of Six. Each question carries **5** marks : (4 × 5 = 20)

2. Why do you think it is important to distinguish between consumption and investment goods?

3. Explain the difficulties faced while comparing different countries' GDP.

4. Discuss Structural unemployment.

5.  'Open Market Operation (OMO) can be used to expand the money supply'. Explain.

6.  Describe the sources of savings in India. Suggest the measures to increase the savings.

7.  Discuss the different stages of inflation.

## SECTION – C

Answer any **THREE** questions. Each question carries **12** marks :    (3 × 12 = 36)

8.  How do you differentiate between economic growth and economic development? Explain the factors determining the economic growth.

9.  Critically examine the different approaches advocated for measuring the National Income.

10. What do you mean by Monetary Policy? Discuss the co-operation between the Monetary Policy and Fiscal Policy.

11. Define Business Cycles. Explain the adverse effects of cyclical fluctuations on business.

12. What is the structure of Interest Rates? Briefly explain the process of commercial banks in creation of credit.

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