

I Semester M.Com. Degree Examination, February 2009  
(2007-08 Scheme)(NS)  
COMMERCE

Paper - 1.4: Macro Economics for Business Decisions

Time: 3 Hours

Max. Marks: 80

Section - A

1. Answer any ten of the following in about 3-4 lines each. Each sub-question carries 2 marks.  
(2X10=20)

- a. What is Macro Economics?
- b. Explain the concept of GNP.
- c. What is meant by marginal propensity to consume?
- d. What is fiduciary money?
- e. What do you mean by Interest Rate Structure?
- f. Mention the four wheels of economic growth.
- g. Differentiate between Monetary Policy and Fiscal Policy.
- h. What is Learner's concept?
- i. What do you mean by Galloping inflation?
- j. What is Liquidity trap?
- k. Define capital output ratio.
- l. What is production possibility frontier(PPF)?

Section - B

Answer any three questions in about a page each. (3X5=15)

2. Explain the interface of macro economics with Business and Industry.
3. What is fiscal policy? Explain its objectives.
4. Explain the role of financial intermediaries in economic growth.
5. Explain the difficulties encountered in computation of N.I.
6. What is inflation? What are the fiscal measures to control it? Explain.

Section - C

Answer any three questions. (3X15=45)

7. What factors have attributed to recent economic tsunami? Explain the techniques used by RBI to overcome this problem.
8. How do you differentiate between economic growth and economic development? Explain the factors determining the economic growth.
9. The size of the multiplier varies directly with the size of the marginal propensity to consume. Discuss.
10. What is Money? Explain the dynamic role of money and its economic effects
11. What are Business cycles? Explain the measures to overcome the business cycles.