(Please write your Exam Roll No.) Exam Roll No. 04314188816

END TERM EXAMINATION

FOURTH SEMESTER [B.COM (HONS)] MAY- 2018

Paper Code: B.COM 206	Subject: Macro-Economics
Time: 3 Hours	Maximum Marks: 75

Note: Attempt any five questions. All questions carry equal marks.

Q1 "The importance of macro economics lies in providing theoretical framework for finding solution to three major macro economic problems confronting most countries of the world". Analyse the statement in the light of scope and significance of the study of macro economics.

Q2 Represent circular flow of income and expenditure in a four sector model with the help of a schematic diagram and discuss the affect of trade balance on the magnitudes of circular flows.

Q3 (a) Discuss the fundamental difference between classical approach and Keynesian approach to macro economics.
(b) Keynesian approach failed to address the problems of developing countries during 1970 s. Do you agree? Substantiate your answer.

Q4 Given the following consumption and saving functions and investment at 100, determine the national income equilibrium using (a) Income-Expenditure approach and (b) Saving-Investment approach and graphically represent national income equilibrium in each case.
$C=100+0.75\,Y$
$S=-100+0.25\,Y$

Q5 Discuss how inflation affects (a) production and economic growth (b) employment of labour (c) distribution of income and (d) distribution of wealth.

Q6 What are the objectives of monetary policy? Explain various instruments of monetary policy.

Q7 Explain the functions of money and different types of money.

Q8 Write short notes on:-
(a) IS-LM model
(b) Concept of multiplier
(c) Counter-Cyclical Fiscal Policy

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