PG – 880

I Semester M.Com. Degree Examination, January 2016
(CBCS)
COMMERCE
Paper – 1.3 : Macro Economics for Business Decisions

Time : 3 Hours

Max. Marks : 70

SECTION – A

1. Answer **any seven** of the following in 3-4 lines **each. Each** question carries
2 marks :

(7×2=14)

a) What is economic system ?

b) What is circular flow of payments ?

c) What is meant by NNP ?

d) What is a saving function ?

e) What is Absolute income hypothesis of keynes ?

f) What is autonomous investment ?

g) What is aggregate demand ?

h) What is conspicuous consumption ?

i) What is disposable income ?

j) Comment on the contributions of Adam Smith.

SECTION – B

Answer **any four** questions. **Each** question carries 5 marks.

(4×5=20)

2. Explain the interface of macro economics with business and industry.

3. Define National income. Explain the variables included in National Income.

P.T.O.

PG – 880

4. Explain the main functions of RBI.

5. What are the components of public debt ?

6. What is investment multiplier ? How it is applied in business ?

7. Bring out the Quantity theory of money as envisaged by Milton Friedman.

SECTION – C

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

8. Explain the meaning and scope of macro economics.

9. Discuss the concepts of MPC and MPS with the help of a numerical example and the graph.

10. Explain various functions of money.

11. What are fiscal variables ? Add a note on impact of fiscal policy on business.

12. What is economic growth ? Comment on the conflict between growth and stability.