

UMESCHANDRA COLLEGE
BOTH MAIN AND EXTENDED CAMPUSES
FINAL EXAMINATION, 2024 (4 YEAR AND 3 YEAR)
B.COM.2nd SEMESTER (UNDER CCF, 2022)
MACRO ECONOMICS (MACD) (IDC/MDC)

Time: 2 hour

FULL MARKS-50

A ANSWER ANY TEN (10) QUESTIONS (10x2)=20

1. What is Real Income?
2. Define Private Income.
3. What is Tax Multiplier?
4. Define Marginal Propensity to Consume.
5. What is Cash Reserve Ratio?
6. State two functions of money.
7. Is income of a beggar included the National Income?
8. What is Broad Money?
9. Define inflation.
10. Mention two features of deflation.
11. What is commercial bank?
12. What is Reverse Repo Rate?
13. What is fiscal Policy?
14. What do you mean by Primary deficit?
15. Define Indirect tax.

B. ANSWER ANY FOUR (04) QUESTIONS 5X4=20

1. Graphically, explain circular flow of income for three Sector model.
2. How can you determine the equilibrium income with closed economy?
3. Discuss the concept of Paradox of Thrift.
4. What is Repo Rate? Distinguish between Broad money and Narrow money.
(2+3)
5. Define the objectives of monetary Policy.
6. Explain Income and output methods to measuring National Income.
7. What is inflationary gap? How we check inflation in a third world country?
(2+3)
8. What do you mean by balance budget? Compare between fiscal deficit and revenue deficit.
(2+3)

C. ANSWER ANY ONE (01) QUESTION

(10x1)

1. How do the commercial bank create credit? What are the leakages of this process?

(5+5)

2. (a) $C=200+0.2Y$, $I=100$; $G=30$. Find the equilibrium of Income.

(5+5)

(b) Graphically derive MPC from Linear Consumption Function

3 Find the national income and personal income from the following data:

Items	RS (IN CRORES)
1. GNP	1500
2. Consumption of Capital	50
3. Indirect business tax	150
4. Subsidy	90
5. Social security contribution	70
6. Corporate income tax	60
7. Undistributed corporate profit	100
8. Transfer payments	80

4. What are the limitations of quantity theory of money? Discuss the non-tax revenues of the Government.

(5+5)