

Roll No.

Total No. of Pages : 01

Total No. of Questions : 07

B.Com. (Sem.-2)
MACRO ECONOMICS
Subject Code : BCOP-202 (2011 Batch)
Paper ID : [B1118]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A is COMPULSORY.
2. Attempt any FOUR questions from SECTION-B.

SECTION-A (10 × 2 = 20 Marks)

1. Write short notes on :
 - (a) Define the term 'involuntary unemployment'.
 - (b) Why old age pension is not included in national income ?
 - (c) Define Gross Domestic Product at market price (GDP_{MP}).
 - (d) What is the meaning of Average Propensity to Consume ?
 - (e) Distinguish between Induced investment and Autonomous investment.
 - (f) Define 'Recession'.
 - (g) How does marginal efficiency of capital affect the level of investment?
 - (h) What are the leakages in the working of investment multiplier ?
 - (i) How does open market operations by the Central Bank affect the availability of credit ?
 - (j) What is 'Inflationary Gap' ?

SECTION-B (4 × 10 = 40 Marks)

2. Critically examine Keynesian Theory of Employment.
3. What is expenditure method of estimation of national income ? What precautions should be taken while estimating national income through expenditure method ?
4. What do you mean by Consumption Function ? What are the factors that affect consumption function ?
5. Critically explain the working of multiplier. Is multiplier based on static assumptions ?
6. What are trade cycles ? Explain Schumpeter's Theory of Trade Cycle.
7. Explain what is the role of monetary policy in economic development?