I Semester M.Com. Degree Examination, January/February 2018
(CBCS Scheme)
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 free market economy ?

   b) What is disposal income ?

   c) What is GDP ?

   d) What is consumption function ?

   e) What is autonomous investment ?

   f) Define monetary system.

   g) What is Malthusian trap ?

   h) What do you mean by steady growth rate ?

   i) What is capital output ratio ?

   j) What is the effect of interest rate on business ?

SECTION – B

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

(4×5=20)

2. Explain the tools of monetary policy.

3. Explain the Keynesian theory of income and employment.

4. Bringout the factors determining economic growth.

5. Explain the functions of financial intermediaries.

6. Explain the investment multiplier with an illustration.

7. What is paradox of thrift ?

P.T.O.

SECTION – C

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

8. Explain the meaning of macro economics and its interface with business.

9. Define national income. Add a note on the problems in computation of national income.

10. Explain different phases of business cycle and their impact on business decisions.

11. Explain Harrod-Domar model of economic growth.

12. Critically evaluate the impact of demonetization policy of 2016 on Indian Economy.

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