

SYBCom | ATKT | Sem I | Eo (77)

Time:- 3 hours

Total Marks:100

N.B. 1. All questions are compulsory

2. all questions carry equal marks.

3. use of simple calculator is allowed.

4. Draw neat diagram wherever necessary.

Q 1. A. Explain the following concepts: (Any Five) (CO1,CO2,U,R,AN)

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- (i) Macro economics
- (ii) Circular flow of income
- (iii) Monetary flow
- (iv) Trade cycle
- (v) Cost push inflation
- (vi) Aggregate demand function
- (vii) Marginal propensity to consume
- (viii) Gross national product

B. Choose the right answer from the given options and rewrite the statements

(CO1,CO2,U,R,AP)

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(i) Other things being equal, deficit in government budget causes

- a. interest rate to fall
- b. no change in interest rate
- c. interest rate to rise
- d. equality between savings and investment

(ii) The recession phase of trade cycle begins at

- a. Trough
- b. peak
- c. midpoint of expansion
- d. depression

(iii) According to Keynes, as income increases both MPC and APC

- a. Rise
- b. fall
- c. remain constant
- d. zero

(iv) MEC curve

- a. Slopes downwards
- b. slopes upwards
- c. remains constant
- d. does not change

(v)curve shows the good market equilibrium

- a. LM curve
- b. IS curve
- c. AD demand curve
- d. IS and LM curve

(vi)is the inverse of price level measure.

- a. Inflation
- b. value of money
- c. deflation
- d. multiplier

(vii).....of the following are the selective credit control measure of the central bank.

- a. CRR
- b. SLR
- c. Margin requirement
- d. Repo Rate

(viii)At the point of effective demand, entrepreneurs will earnprofit.

- a. Excess
- b. subnormal
- c. normal
- d. abnormal

(ix)In the long run the Phillips curve will be.....

- a. Upward rising
- b. downward sloping
- c. horizontal
- d. vertical

(x).....developed the Cambridge version of the quantity theory

- a. Adam Smith
- b. J.S.Mill
- c. Alfred Marshal
- d. David Ricardo

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Q 2. Answer any two of the following:-

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- (a) Explain different phases of trade cycle. (CO1,R,U,AP)
- (b) Explain circular flow of aggregate income in closed economy with circular flow chart.(CO1,R,U,AP)
- (c) Examine the features and criticism of Says Law of market. (CO1,

Q 3. Answer any two of the following:-

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- (a) Define consumption function. Explain the subjective and objective factors affecting consumption. (CO1,CO2,R,U,AP)
- (b) Derive IS curve and bring out its properties. (CO1,CO2,R,U,AN)
- (c) Explain the concept and working of the multiplier. (CO2,AN,AP,E)

Q 4. Answer any two of the following:-

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- (a) Define Stagflation. What are the causes and effect of stagflation?(CO1,AN,E)
- (b) Explain general equilibrium with IS-LM model. (CO1,CO2,E)
- (c) Explain the basic prepositions of supply side economics. (CO1,CO,AN,AP)

Q 5. Answer any two of the following:-

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- (a) Explain with the help of suitable diagram the demand pull and cost push inflation.(CO1,CO2,U,R,AP)
- (b) Explain the determinants of money supply. (CO1,CO2,U,R)
- (c) Describe Fishers equation of exchange.(CO2,E)