

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao-Goa  
SY B.Com, Semester-III, Supplementary Examination June 2023  
Macroeconomics GE-4(CEG 102)

**Max. Marks: 80**

**Duration: 2hrs**

**Instructions:**

- 1) Start each question on a fresh page.
- 2) All questions are compulsory.
- 3) Figures to the right indicate maximum marks.
- 4) Answer sub-questions in Question no.1 and Question no.2 each in not more than 100 words.
- 5) Answer Questions no. 3 to Question no. 6 each in not more than 400 words.
- 6) Draw neat diagrams wherever necessary.

**Q. 1. Write short notes on ANY FOUR of the following. (4x4=16)**

- a) Distinguish between GDP and GNP.
- b) Explain any two components of expenditure in a macroeconomic environment.
- c) Describe the term Macroeconomics.
- d) Examine the concept of Sacrifice Ratio.
- e) Describe the relationship between inflation and interest rates.
- f) Explain the terms (i) Frictional Unemployment  
(ii) Structural Unemployment

**Q. 2. Write short notes on ANY FOUR of the following. (4x4=16)**

- a) Distinguish between closed and open economies.
- b) Discuss any four causes of interest rate differentials.
- c) Explain the terms (i) Fixed exchange rate  
(ii) Flexible exchange rate
- d) Examine the concept of Residential Investment.
- e) Describe any two motives of Demand for Money.
- f) Indicate the concept of Money Supply given by RBI.

**Q. 3. A) Analyze the Circular Flow of Income and Expenditure in a three and four-sector model. (12)**

**OR**

**Q. 3. B) Discuss the determinants of demand and supply in a macroeconomic framework. (12)**

**Q. 4. A) Identify what constitutes the labour market. Explain the factors affecting the demand for and supply of labour. (12)**

**OR**

**Q. 4. B) Analyze the working of Phillip's Curve in the Short and Long-run. (12)**

**Q. 5. A) Interpret saving, investment, and their relationship to international flows. (12)**

OR

Q. 5. B) Appraise the working of the Mundell-Fleming model under a Fixed Exchange Rate. (12)

Q.6. A)

(i) Express the meaning of Inventory Investment. (4)

(ii) Categorize four reasons for and four determinants of Inventory Investment. (8)

OR

Q. 6. B) Appraise Baumol's Inventory approach to Transaction Demand for Money. (12)

\*\*\*\*\*