

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
SY B.Com, Semester-III, Semester End Examination November 2022
Macroeconomics (GE-4)

Duration: 2hrs**Max Marks: 80****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 number 1 and 2 each in not more than 100 words.
- 5) Answer question number 3 to 6 each in not more than 400 words.

Q1) Answer ANY 4 of the following.

(4x4=16)

- a) Describe any two objectives of macroeconomics.
- b) Explain any two components of expenditure in macroeconomic analysis.
- c) Discuss the meaning of personal income and disposable income.
- d) Explain any two reasons behind cost-push inflation.
- e) Explain any two types of anticipated inflation as a social cost of inflation.
- f) Discuss any four determinants of natural rate of unemployment.

Q2) Answer ANY 4 of the following.

(4x4=16)

- a) Discuss any four features of an open economy.
- b) Distinguish between fixed and flexible exchange rate systems. (any four)
- c) Explain any two reasons behind international interest rate differentials.
- d) Summarize the effects of taxes on business fixed investment.
- e) Explain any four determinants of inventory investment.
- f) Describe the concept of money supply as given by the RBI.

Q3 (A) Illustrate the circular flow of income and expenditure in the two-sector and three sector models. **(12)**

OR

Q3 (B) Explain any six determinants each of demand and supply in macroeconomic analysis. **(12)**

Q4 (A) Analyse the relationship between unemployment and inflation using the Phillips Curve. (12)

OR

Q4 (B) (i) Explain the meaning and factors affecting demand for labour. (6)
(ii) Explain the meaning and factors affecting supply of labour. (6)

Q5 (A) Appraise the flow of goods and capital in a small and large open economy. (12)

OR

Q5 (B) Analyse the impact of expansionary Monetary and Fiscal Policy under Flexible Exchange Rate System in the the Mundell-Fleming model with the help of suitable diagrams. (12)

Q6 (A) Appraise Tobin's Portfolio Approach to Demand for Money. (12)

OR

Q6 (B) Explain residential investment and its determinants. (12)