

Vidya Vikas Mandal's

Shree Damodar College of Commerce & Economics, Margao-Goa

TY BBA (FS), Semester-V (Repeat), Semester End Examination, Jan-Feb 2022

BFS C504 Macroeconomics

Duration: 2 hours

Maximum Marks: 60

**Instructions:**

- 1) Start each question on fresh page.
- 2) Figures to the right indicate maximum marks.
- 3) Q1 is compulsory.
- 4) Answer any 4 from Q2 to Q6.

**Q 1) Write short notes of about 100 words each for any 5 of the following: (05x04=20)**

- a. Explain and differentiate between nominal income and real income.
- b. What do you mean by aggregate demand and aggregate supply?
- c. Name and explain in short the four functions of Money.
- d. What is the role of commercial banks in credit creation? Explain in short.
- e. Differentiate between inflation and deflation. Explain both of them with a simple numerical example.
- f. What is a government budget? Point out the main difference between balanced and unbalanced budget.

**Q2.** What do you mean by propensity to consume? Explain in detail about the marginal propensity to consume and average propensity to consume. (10)

**Q3.** What does public expenditure refer to? How is it classified into different categories? Explain. (10)

**Q4.** What is a Philips curve? Explain in detail. (10)

**Q5.** Explain how government expenditure affects equilibrium GDP. Also show graphs to illustrate your explanation. (10)

**Q6.** Explain the RBI's measures of money supply. (10)

END OF PAPER