

Vidya Vikas Mandal's  
Shree Damodar College of Commerce & Economics, Margao-Goa  
S.Y.B.Com, Semester III, Semester End Examination, October 2018  
Macroeconomics

**Duration: 2 hours**

**Max. Marks: 80**

Instructions:

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

**QI) Answer any four questions from the following: -**

**(4X4 = 16 mrks)**

- 1) Write a short note on 'National Income'.
- 2) Write a brief note on Components of Expenditure.
- 3) What do you mean by 'Social Cost of Inflation'?
- 4) Write a short note on 'Phillips Curve'.
- 5) Write any 2 points of distinction between Adaptive Expectation and Rational Expectation.
- 6) What do you mean by 'Sacrifice Ratio'?

**QII) Answer any four questions from the following:-**

**(4X4 = 16 mrks)**

- 1) What are Exchange Rates? Write any 2 points of distinction between fixed exchange rate and Flexible exchange rate.
- 2) Write any 4 factors that influence the international flows of goods & services (Export & Imports).
- 3) Write a brief note on the 'Interest Rate Differentials'.
- 4) Write any 4 determinants of Residential Investment.
- 5) What are the different 'Measures of Money Supply'?
- 6) Write a short note on 'Inventory Investment'.

**QIII) A) Explain the determination of Aggregate Demand & Aggregate Supply and the point of 'Effective Demand'.**

**(12 Mrks)**

**OR**

**B) Explain in detail the short-run equilibrium in the AD-AS model.**

**QIV) A) Explain in detail the causes of rising and falling inflation.**

**(12 Mrks)**

**OR**

**B) Explain in detail the 'Natural Rate of Unemployment'.**

**Contd...**

QV) A) Explain the impact of expansionary monetary and fiscal policy on perfect capital mobility under fixed & flexible exchange rates in Mundell-Fleming model.

(12Mrks)

OR

B) Explain the concept saving and investment in a small and large open economy.

QVI) A) Explain in detail 'Portfolio theory of demand for money'.

(12 Mrks)

OR

B) What do you mean by 'Business Fixed Investment'? Explain in detail the determinants of business fixed investment.

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