Roll No. ☐☐☐☐☐☐☐☐☐☐☐☐ **Total No. of Pages : 02**

Total No. of Questions : 07

B.Com (2011 & Onwards) (Sem.–2)

MACRO ECONOMICS

Subject Code : BCOP-202

Paper ID : [B1118]

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTION TO CANDIDATES :

1. **SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.**
2. **SECTION-B contains SIX questions carrying TEN marks each and a student has to attempt any FOUR questions.**

SECTION–A

1. Write briefly :

a) Define the term ‘Full employment.’

b) Define Net National Product at factor cost (NNP_{FC}).

c) Suppose disposable income is Rs. 5000 and saving is Rs. 1000, Find out Average Propensity to Consume (APC).

d) What is the difference between public investment and private investment?

e) What is the relationship between marginal propensity to consume (MPC) and investment multiplier?

f) What is the importance of investment multiplier?

g) What do you understand by ‘Marginal Efficiency of Capital’?

h) Define Depression.

i) How does lowering or raising margin requirements affect availability of credit?

j) What is the meaning of ‘Stagflation’?

SECTION–B

2. Critically examine Say's Law of Market. What are its implications?

3. What is the income method of estimation of national income? What precautions should be taken while using income method?

4. Explain what are the measures to stimulate private investment?

5. Explain the working of investment multiplier. What are the leakages to the multiplier?

6. What are trade cycles? Explain Hick's theory of trade cycle.

7. What is the role of fiscal policy in economic development?