

B. Com (Semester V)
Economics II (Macroeconomics) (DSE 5.1 A)

Group – A (Answer any one from questions 1 and 2) (1x5 = 5 marks)

1. Distinguish between Microeconomics and Macroeconomics. State any two macroeconomic variables. (3+2)
2. Distinguish between stock and flow variables. Give one example each of stock and flow variables. (3+2)

Group – B (Answer any two from questions 3 to 6) (2x10 = 20 marks)

3. (a) Define National Income. Distinguish between GNP at Market Price and GDP at Market Price. What is Per-capita income? (2+2+1)

(b) Suppose the GDP at market price of a country in a particular year was Rs 1,100 crores. Net Factor Income from Abroad was Rs 100 crores. The value of Indirect taxes – Subsidies was Rs 150 crores and National Income was Rs 850 crores. **Calculate the aggregate value of depreciation.** (5)
4. (a) Given the aggregate consumption expenditure function $C = 100 + 0.75 Y$ (where Y = national income and C = aggregate consumption expenditure), and autonomous investment expenditure (I_0) = Rs. 1,000 crore. **Calculate equilibrium level of Y .** (5)

(b) State the different components of aggregate demand in an economy. (5)
5. Write a note on the Keynesian Theory of Demand for Money or the Liquidity Preference Approach. (10)
6. Write a note on the different measures to control inflation. (10)
