

Vidya Vikas Mandal's
Shree Damodar College of Commerce & Economics, Margao-Goa
SY B.Com, Semester-III, Semester End Examination, November 2023
GE 4 - Macroeconomics (CEG 102)

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 No. 1 and Question No. 2 each in not more than 100 words.
- 5) Answer Question No. 3 to Question No. 6 each in not more than 400 words.
- 6) Draw neat diagrams wherever necessary.

Q. 1. Write short notes on ANY FOUR of the following. (4x4=16)

- a) Define the term Macroeconomics.
- b) Explain any two components of expenditures.
- c) Differentiate between aggregate demand and aggregate supply (two points).
- d) Describe the relationship between inflation and interest rates.
- e) Explain any four causes of rising inflation.
- f) Identify the term sacrifice ratio.

Q. 2. Write short notes on ANY FOUR of the following. (4x4=16)

- a) Describe the term interest rate differentials.
- b) Distinguish between closed and open economy (two points).
- c) Explain the equality of net exports and net capital outflow.
- d) Examine any four determinants of residential investment.
- e) Differentiate between autonomous and induced investment (two points).
- f) Describe the four functions of money.

Q. 3. A) Diagrammatically analyse the circular flow of income and expenditure in a three and four- sector model. (12)

OR

Q. 3. B) Examine and illustrate the shifts (increase and decrease) in the aggregate demand curve. (four points each) (12)

Q. 4. A) Diagrammatically describe the working of Phillip's Curve in the short and long run. (12)

OR

Q. 4. B) Expand the terms demand-pull and cost-push inflation. Discuss five causes of each. (12)

Q.5. A) Define the terms fixed and flexible exchange rate. State any four advantages and disadvantages of each. (12)

OR

Q. 5. B) Discuss the working of the Mundell-Fleming model under a fixed exchange rate. (12)

Q. 6. A) Describe the term business fixed investment. Explain any six determinants of business fixed investment. (12)

OR

Q.6. B) Identify the concept of money. Explain the Keynesian concept of demand for money. (12)
