

School of Finance and Commerce

Commerce
ETE - Jun 2023

Time : 3 Hours

Marks : 100

Sem II - H1UC201T - Macro-Economics

Your answer should be specific to the question asked

Draw neat labeled diagrams wherever necessary

1. Comprehend induced investment. Also, suggest how it can be motivated in India. K2 CO1 (5)
2. elaborate the position of the balance of payment of your country. K1 CO1 (5)
3. *"Human is disposal by nature, as income increases, consumption expenditure also increases but increase in consumption is smaller than the increase in income"* Explain. K1 CO1 (5)
4. Briefly describe the circular flow of income and expenditure in the four-sector economy. K3 CO2 (10)
5. Explain the overall impact of 'borrowings from abroad' on the country. K3 CO2 (10)
- 6) Do you think CPI is a better measure of inflation than WPI? Support your answer with relevant arguments. Also, state the difference between CPI and WPI. K4 CO4 (10)

OR

- Explain the relationship between inflation and unemployment in the short-run with the help of Phillips curve. Also, suggest some measures to control unemployment. K4 CO5 (10)
7. Explain the surplus balance of BOP. Discuss what does the balanced BOP state about the financial position and trade pattern of the country? K2 CO1 (10)
 - 8) According to the economist Keynes, why does the desire to hold money arise? Analyse how does the interest rate impact the flow of funds in an economy? K5 CO4 (15)

OR

- "Real GDP is the inflation adjusted measure"*, Explain. Can GDP be equal to GNP? Support your answers with the help of relevant examples. K5 CO4 (15)
9. Write a short note on the following: K4 CO3 (15)
 - a. Foreign remittances
 - b. FDI
 - c. Trade of visibles
 10. Write a short note on the following: K3 CO2 (15)
 - a. Core Inflation
 - b. Headline Inflation
 - c. Disinflation