

May 2024

B. Com. (Hons.) (Second Semester)

Macro Economics-I (BCOM-BCH-203)

Time : 3 Hours]

[Maximum Marks : 75

**Note :** It is compulsory to answer all the questions (1.5 marks each) of Part A in short. Answer any *four* questions from Part B in detail. Different sub-parts of a question are to be attempted adjacent to each other.

**Part A**

1. (a) What is money multiplier ? 1.5
- (b) Explain the process of credit creation. 1.5
- (c) What is business cycle ? 1.5
- (d) What is public debt ? 1.5
- (e) Explain nature of macro economics. 1.5
- (f) What is aggregate demand ? 1.5
- (g) What is price stability ? 1.5
- (h) What is monetary policy ? 1.5
- (i) What is fiscal policy ? 1.5
- (j) Explain the rationale of taxes. 1.5

## Part B

2. How does fiscal policy help in managing fiscal deficit ? 15
3. Define inflation. Explain various factors causing inflation along with monetary measures to control inflation. 15
4. What is propensity to consume ? Explain the attributes and significance of consumption function. 15
5. (a) Explain regulatory role of RBI in India. 7  
(b) Explain various types and incidence of taxes. 8
6. (a) Difference macro and micro economics. 7  
(b) Explain stock and flow variables. 8
7. Explain Keynesian theory of determination of National Income. 15