2020

TWO YEAR M. COM. SEMESTER 1 EXAMINATION

(New Syllabus under CBCS)

Instructions for Examinees

*The students are required to strictly adhere to the following instruction*s:

1. Use A4 size paper for giving the examination.

2. Write the following on the top of the first page of answer sheet:

      i) Roll Number: (as per the Admit Card)

      ii) Registration Number: (as per the Admit Card)

      iii) Paper Code and Name of the Paper

      iv) Date of the examination

      v) Duration of examination (12 noon to 2pm)

3. Put page number on the top right of each page (including the first page).

4. Only one side of the paper should be used for examination.

5. Put your signature with date, at the bottom right of every page used.

6. Before sending your answer scripts, arrange the pages sequentially. Scan them in the order of page number and convert them into a single pdf. file.

7. Pdf. file name should be your **Full Roll Number <underscore> paper code**. While submitting the answer scripts, the subject of the mail will be exactly the same with the file name. [e.g., if the roll no of a student is C95/MCM/123456, for second paper (Paper Code CC102) the file name will be: C95/MCM/123456_CC102

8. Submit your answer scripts in pdf. format within the stipulated time through designated email id given to you.

9. Preserve your answer scripts in soft as well as hard-copy form of all the papers of your examination.

2020

COMMERCE

Paper Code: CC 102

Subject: Macroeconomics and Business Environment (MEBE)

(Full Marks -40)

The figures in the margin indicate full marks

Candidates are required to give their answers in their own words as far as practicable

Time: 2 Hours   **Duration of Examination: 12noon to 2pm**

Module –I

Answer *any two* questions.

1. (a) Distinguish between nominal GNP and real GNP.

   (b) "GNP can be used as a measure of economic welfare"-justify the statement.

   (c) Suppose GNP is Rs.2400; Gross Investment is Rs. 400; Net Investment is Rs. 150; Consumption expenditure is Rs.1500; and Government purchases is Rs.480.

   Find out the Depreciation, NNP and Net Export.

   3+4+3

2. In the Keynesian cross assume that the consumption function is given by C=200 + 0.75Y and Planned Investment=Rs. 100; Government Purchases is Rs. 100.

   (a) Draw the consumption function

   (b) What is the equilibrium income?

   (c) If the Government purchases increase to Rs 125 from Rs 100 what is the new equilibrium income?

   (d) Derive the Investment Multiplier.

   2+3+3+2

3. Derive IS curve for a closed economy. Show that interest sensitivity of investment determines effectiveness of fiscal policy.

   6+4

4. Explain the Mundell- Fleming Model in a fixed exchange rate framework.

   10

Module II

Answer any two questions.

5. (a) Explain the demand pull inflation with inflationary gap.

   (b) Discuss in brief the important methods to control inflation.

   5+5

6. (a) Explain the condition of steady state in Solow Growth Model with capital accumulation.

   (b) What do you mean by golden rule level of capital in this model?

   (c) What happen to the steady state equilibrium if labour supply increases?

   4+3+3

7. Compare the IRR and NPV method to evaluate an investment project.

   10

8. (a) Briefly discuss the role of FDI in economic growth.

   (b) Discuss important policy changes towards a liberal approach to FDI announced in India in the year 1991.

   4+6