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FYBFM SEM 2 ATKT (NEW) MACRO ECONOMICS FEB 2017

Q.1.A.State True or False (any 8).

(08)

1. The value of output within a country is called domestic income.
2. An open economy is the one which has no foreign trades.
3. During inflation, value of money falls.
4. Boom is a depression phase of Trade cycle.
5. Trade cycles are recurrent in nature.
6. Speculative motive is influenced by Rate of Interest.
7. Money is what money does.
8. FEMA replaced FERA.
9. Deficit budget is used to control inflation.
10. Public debt is mobilized during deflation.

Q.1.B.Match the following (any 7).

(07)

- | A | B |
|----------------------------|----------------------------------|
| 1. Open Economy | a. C+I+G |
| 2. IS-LM model | b. Subsidies |
| 3. Monetary policy | c. Public revenue |
| 4. Depression | d. Apex bank |
| 5. Demand deposits | e. Liquidity Adjustment facility |
| 6. LAF | f. Foreign Trade |
| 7. RBI | g. General equilibrium |
| 8. Direct tax | h. Economic system |
| 9. Public expenditure | i. Mass unemployment |
| 10. Gross Domestic Product | j. Banks |

Q.2.A.Discuss the methods of measuring National Income.

(15)

OR

Q.2.B.Write a note on Circular flow of income in a two sector model.

(08)

C. Explain the IS-LM model in detail.

(07)

Q.3.A.What are the causes of inflation? Explain in detail.

(15)

OR

Q.3.B.Discuss the measures to be taken to control inflation.

(15)

Q.4.A.What are the various phases of trade cycles? Explain with diagram. (15)

OR

Q.4.B.Explain the major determinants of money supply. (08)

C. Discuss the instruments of Monetary policy. (07)

Q.5.Write short notes. (15)

1. Open Economy
2. Full employment
3. GDP.

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