

SHRI RAMSWAROOP MEMORIAL UNIVERSITY

End Semester Examination (2021-22)-Odd Semester

BA – (Hons.) - Economics I Year (I Sem)

Course Name: Introductory Macroeconomics

Code: BEM1006

Time: 02 Hours

Max Marks: 60

University Roll No.

(To be filled by the Student)

Note: Please read instructions carefully:

- The question paper has 03 sections and it is compulsory to attempt all sections.
- All questions of Section A are compulsory; questions in Section B and C contain choice.

Section A: Very Short Answer type Questions		BL	CLO	Marks (10)
Attempt all the questions.				
1.	Distinguish between personal income and personal disposable income.	BL3	CLO1	02
2.	What do you mean by real GDP?	BL1	CLO1	02
3.	List different types of inflation.	BL1	CLO3	02
4.	Discuss the concept of consumption function.	BL2	CLO4	02
5.	Examine the determinants of money supply.	BL3	CLO2	02
Section B: Short Answer Type Questions		BL	CLO	Marks (30)
Attempt any 03 out of 05 questions.				
1.	Show the circular flow of National Income with diagram?	BL3	CLO2	10
2.	Discuss Expenditure method of measuring National Income?	BL2	CLO2	10
3.	Explain Keynesian model of income determination?	BL4	CLO1	10
4.	What do you understand by money multipliers?	BL1	CLO3	10
5.	Explain measures to control inflation?	BL2	CLO4	10
Section C: Long Answer Type Questions		BL	CLO	Marks (20)
Attempt any 01 out of 04 questions.				
1	“When there is change in the supply of money, there is a proportional change in the price level and vice versa”. Comment. Also explain the Fisher’s equation on quantity theory of money.	BL4	CLO2	20

2.	Interpret circular flow of National Income. Calculate National income	BL5	CLO1	20	
	Items				Rs.(Cr)
	Compensation of employees				2000
	Profit				800
	Rent				300
	Interest				250
	Mixed income of self employed				7000
	Net current transfers to abroad				200
	Net Exports				-100
	Net direct Taxes				1500
	Net Factor income to abroad				60
3.	Explain various types of Inflation. Is mild inflation necessary for a developing economy? Comment. Illustrate the relationship between inflation and unemployment with the help of Phillips curve.	BL4	CLO3	20	
4.	Explain how aggregate demand curve can be shifted by a reduction in interest rate. Given below is the consumption function in an economy- $C=100+0.5 Y$ Show that as income increases to 200,300, 400, 500, Average Propensity to consume (APC) will decrease.	BL5	CLO4	20	

