

END SEMESTER EXAMINATION, MAY - 2026**B. Com. (Hons.) Semester - II****Paper Code: 551111****Subject Name: Macro Economics****Subject Code: BCM205****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully.****Q.1 VERY SHORT ANSWER QUESTIONS – Attempt All. [Word limit – 30 words] (10x2 = 20 Marks)**

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| a. Define Gross Domestic Product (GDP) and list its components. | CO-1 |
| b. What is the difference between nominal GDP and real GDP? | CO-1 |
| c. Explain the concept of National Income. | CO-1 |
| d. What is meant by Circular Flow of Income? | CO-1 |
| e. Identify the two-sector model in circular flow. | CO-1 |
| f. How does an increase in consumption affect GDP? | CO-2 |
| g. Explain the relationship between investment and national income. | CO-2 |
| h. How does Aggregate Demand influence output levels? | CO-2 |
| i. What is the relationship between inflation and purchasing power? | CO-2 |
| j. How does unemployment affect economic growth? | CO-2 |

Q.2 SHORT ANSWER QUESTIONS – Attempt any Five. [Word limit – 100 words] (5x4 = 20 Marks)

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| a. Using the Simple Keynesian Model, explain how equilibrium income is determined. | CO-3 |
| b. Apply the concept of multiplier to explain the impact of an increase in government expenditure on national income. | CO-3 |
| c. Given a consumption function $C=a+bY$, explain how changes in autonomous consumption affect equilibrium output. | CO-3 |
| d. Illustrate how investment influences income determination in the Keynesian framework. | CO-3 |
| e. Analyze the causes and mechanism of demand-pull inflation. | CO-4 |
| f. Examine the causes and effects of cost-push inflation on output and employment. | CO-4 |
| g. Analyze the impact of inflation on income and wealth distribution. | CO-4 |

Q.3 STRUCTURED QUESTIONS – Attempt any Three. [Word limit – 200 words] (3x10 = 30 Marks)

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| a. Evaluate the effectiveness of fiscal policy in achieving economic stability and growth. | CO-5 |
| b. Critically examine the role of fiscal deficits in economic development. Are they always harmful? | CO-5 |
| c. Assess the challenges associated with fiscal deficit management in developing economies like India. | CO-5 |
| d. Evaluate the effectiveness of monetary policy in controlling inflation. | CO-5 |

Q.4 CASE / SITUATION – Attempt any Two. [Word limit – 300 words] (2x15 = 30 Mark)

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| a. An economy is experiencing rising inflation along with slow economic growth.
Using appropriate macroeconomic concepts, analyze the situation and suggest policy measures. | CO-6 |
| b. The government increases its expenditure to boost economic growth during a slowdown.
Using the Keynesian framework and multiplier concept, examine the likely impact on income and employment. | CO-6 |
| c. A country is facing high unemployment despite stable GDP growth.
Analyze the possible reasons and suggest suitable measures to address the issue. | CO-6 |
