

2017

Time : 3 hours

Full Marks : 70

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

The questions are of equal value.

*Answer any **seven** questions.*

1. What is the difference between “exogeneous” and “endogeneous” variables ? What is macro economic and how is it different from microeconomics ? Why do macroeconomists build model ?
2. What is the difference between “National Income” and “GDP” and Between “Real GDP” and “Nominal GDP” ? What is GDP deflator ?

3. The National Income Accounts divide GDP into four broad categories of expenditure. What are they? Explain the categories briefly along with their importance in India's GDP.
4. What does Consumer Price Index measure? How is it measured? What is the difference between Consumer Price Index and GDP and Deflator.
5. What are functions of money? Who controls the money supply in India? How is it controlled? What is demonetisation?
6. How is quantity of money measured? Explain the "Quantity Theory of Money".
7. What is the difference between "real" and "nominal" interest rate? Write down the "Fisher Equation" and explain the "Fisher Effect".
8. What are the various components of "Balance of Payments"? Distinguish among "nominal", "effective", and "real" exchange rates.

XU – 50/2

(2)

Contd.

9. What is "Business Cycle"? Use the "Aggregate Demand" and "Aggregate Supply" model to explain business fluctuations.
10. What is consumption function? What are the differences between "MPC" and "APC"? Explain Friedman's Permanent Income Hypothesis.



XU – 50/2 (150)

(3)

SX/S-4/UG(P) —
BBA (IX)