

Seat No. : _____

MD-226

May-2025

Integrated B.Com., LL.B (Hons), Sem.-II

IL.B.Com. (Hons) – 110

Principles of Economics (Macro) – II

Time : 2:30 Hours]

[Max. Marks : 70

1. Define Macro-economics and describe its importance, scope and limitations. **18**

OR

1. Explain the following :

(a) Define National Income. Discuss difficulties in measurement of National Income of India. **10**

(b) Explain GDP. Does an increase in GDP always mean an increase in welfare ? **8**

2. Discuss Keynesian theory of Income and Employment. **18**

OR

2. (a) What is Business Cycle ? Explain the Phases of Business Cycle. **10**

(b) Write short note: Liquidity Preference Theory of Interest. **8**

3. What is Money ? Explain the functions of Money. State the difference between Money and Near Money. **18**

OR

3. Explain the following :

(a) State difference between Inflation and Deflation. **10**

(b) What does Monetary Policy mean ? Critically discuss the objectives of Monetary policy. **8**

4. (a) Write notes on : (any **two**) **10**

(1) Effects of inflation on different classes of society.

(2) Investment Multiplier

(3) Balance of Payment

(4) Fiscal Policy

4. (b) Do as Directed :

- (1) Which of the following indicates economic growth ?
 - (a) Rising CPI
 - (b) Decrease in exports
 - (c) Increasing GDP
 - (d) Higher interest rates
 - (2) Balance of Payments records :
 - (a) All budgetary transactions
 - (b) The central bank's reserves
 - (c) All international economic transactions
 - (d) Domestic market trades
 - (3) Fiscal policy is controlled by the central bank. (True / False)
 - (4) Stagflation refers to inflation with high economic growth. (True / False)
 - (5) What does the term "budget surplus" mean ?
 - (6) What does GDP stand for in macro-economics ?
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