BRAINWARE UNIVERSITY

Course – M.Com.

Micro and Macro Economics (MCM 203)

(Semester – 2)

Time allotted: 3 Hours   Full Marks : 70

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group –A

(Multiple Choice Type Question)   **10 x 1 = 10**

1. Choose the correct answer from the given alternatives: **(Answer All)**

i) When G>T then the budget is called

    a)surplus budget   b)deficit budget

    c)balanced budget   d)none of these

ii) The Profit Maximising Condition for a Monopolist is

    a)MR=MC   b)MR>MC

    c)MR<MC   d)none of these

iii) The highest point of expansion is known as

    a) peak   b) trough

    c) boom   d) none of these

iv) The rate of change of savings with income is called

    a) marginal propensity to consume   b)marginal propensity to save

    c) autonomous consumption   d) autonomous savings.

v) If there is excess supply in the market

    a) price remains constant   b) price rises

    c) price falls   d) none of these.

vi) An open economy contain the

    a)Government Sector   b) Business Sector

    c) Foreign Sector   d) All of these

vii) Monopsony is a market characterised by

    a) single seller   b)single buyer

    c) large number of buyer and seller   d)All of these

viii) Public Sector projects shows

    a) instances of market failure   b) obeys the market mechanism

    c) shows externalities in production d)All of these

ix) Monopoly is a market characterised by

    a) single seller   b)single buyer

    c) large number of buyer and seller d) single buyer &single seller

x) The lowest point of depression is known as

    a) Boom   b) Inflexion

    c) Trough   d) Crest

Group – B

(Short Answer Type Question)   **3 x 5 = 15**

Answer any three questions

2) How do you differentiate GDP and GNP. What is GNP at factor cost?

3) Consider the following macroeconomic model and find out the equilibrium level of Y and C from the following. Draw graphically and derive the savings function also Y=C+I+G+(X-M), C= a+ bY, I= 20 , G= 10, X-M=5,C=100+.75Y

4) Discuss "Market is a self regulatory mechanism. Any imperfections in the market is automatically corrected by the forces of demand and supply."In this context explain what happens when there is excess supply in the market.

5) Elucidate the Profit maximising condition both for Perfect Competition and Monopoly.

6) Derive the consumption function from the savings function.

Group – C

(Long Answer Type Question)   **3 x 15 = 45**

Answer any three questions

7) Critically evaluate the 12th Five Years Plan of the Indian Economy.

8) Discuss the various phases of business cycle

9) Critically evaluate the Balance of Payment Crisis in the Nineties.

10) Explain the Keynesian Consumption Function Find S if C= 89+.79Y Derive the savings function and represent it graphically.

11) Describe with the help of a case study both the positive and negative externality that generates due to industrial growth.

12) Compare and Contrast between Perfect Competition and Monopoy.