

**2021****TWO YEAR M. COM. SEMESTER 1 EXAMINATION***(New Syllabus under CBCS)***Instructions for Examinees from Affiliated Colleges***The students are required to strictly adhere to the following instructions:*

1. Use A4 size paper for giving the examination.
2. Write the following on the top of the first page of answer sheet:
  - i) Roll Number: **(as per the Admit Card)**
  - ii) Registration Number: **(as per the Admit Card)**
  - iii) Paper Code and Name of the Paper
  - iv) Date of the Examination
  - v) Duration of Examination **(12 Noon to 2 P.M.)**
3. Put page number on the top right of each page (including the first page).
4. Only one side of the paper should be used for examination.
5. Put your **full signature with date**, at the bottom right of every page used.
6. Before sending your answer scripts, arrange the pages sequentially. Scan them in the order of page number and convert them into a single pdf. file.
7. **PDF file name** should be your **Full Roll Number <underscore> paper code**. While submitting the answer scripts, the subject of the mail will be exactly the same with the file name. [e.g., if the roll no of a student is **017/MCM/123456** for second paper **(Paper Code CC102)** the file name will be:**017-MCM-123456\_CC102**.
8. Submit your answer scripts in **PDF Format** within the stipulated time through **designated email id** given to you.
9. Preserve your answer scripts in soft as well as hard-copy form of all the papers of your examination

**2021****COMMERCE****Paper: CC-102****(Macro Economics and Business Environment)****Full Marks: 40***The figures in the margin indicate full marks.**Candidates are required to give their answers in their own words as far as practicable.***Time: 2 Hour****Duration of Examination: 12noon to 2pm****Module - I**Answer *any two* questions.

1. (a) State and explain the basic macroeconomic identity. What does it signify?  
 (b) Distinguish between GNP at market price and GNP at factor cost.  
 (c) To what extent per capita income can be used as an index of economic welfare?  
[ (4+1) + 2 + 3 ]
  
2. (a) If a consumption function is given by  $C = 50 + 0.5Y$ , derive the savings function and draw it.  
 (b) Show that in a Simple Keynesian Model the value of Balanced Budget Multiplier is equal to one.  
 (c) If the slope of savings schedule exceeds the slope of investment schedule and both savings and investment schedules are positively sloped, what will happen if personal savings are increased?  
[ (2 + 1) + 3 + 4 ]
  
3. (a) Examine the impact of an expansionary fiscal policy when -  
 (i) Investment is relatively interest inelastic  
 (ii) Money demand is perfectly interest elastic  
 (b) Write a short note on crowding out effect  
[ ( 3 + 3) + 4 ]
  
4. According to the Mundell – Fleming Model, when exchange rate is fixed and capital is perfectly mobile will fiscal or monetary policy be more successful? Explain. [ 10 ]

**Module - II**

Answer *any two* questions.

5. (a) Show with diagram how the oil price shock affects inflation.  
(b) Explain how the economy is affected by the interaction of Demand Pull and Cost Push Inflation.  
(c) What is natural rate of unemployment? Explain the long run Phillips Curve.

[ 3 + 3 + 4 ]

6. Explain briefly the IRR and NPV method to evaluate an investment project. [ 10 ]

7. (a) Explain the condition of steady State in Solow Growth Model with capital accumulation.  
(b) What do you mean by golden rule level of capital in this model?  
(c) What happens to this steady State when there is technological progress?

[4 + 3 + 3 ]

8. (a) Explain the role of service sector towards GDP growth in India.

- (b) Critically examine role of FDI towards economic development of Indian Economy.

[ 5 + 5 ]