



# PRESIDENCY UNIVERSITY

BENGALURU

Roll No.														
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## End - Term Examinations – MAY 2025

**Date:** 31-05-2025

**Time:** 01:00 pm – 04:00 pm

<b>School:</b> SOL	<b>Program:</b> B.Com. LLB	
<b>Course Code:</b> BCL1006	<b>Course Name:</b> Macroeconomics for Business	
<b>Semester:</b> II	<b>Max Marks:</b> 100	<b>Weightage:</b> 50%

CO - Levels	C01	C02	C03	C04
Marks	41	41	42	52

### Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Do not write anything on the question paper other than roll number.

### Part A

**Answer ALL the Questions. Each question carries 2marks.**

**10Q x 2M=20M**

1.	Define the concept of per capita income in an economy.	2 Marks	L1	C01
2.	Define trade cycles in an economy.	2 Marks	L1	C01
3.	Define IS curve.	2 Marks	L1	C02
4.	State J.B. Say's law of markets.	2 Marks	L1	C02
5.	Outline structural inflation.	2 Marks	L1	C03
6.	Differentiate core inflation and headline inflation.	2 Marks	L1	C03
7.	List out types of disequilibrium in Balance of Payments.	2 Marks	L1	C04
8.	Differentiate tariffs and quota.	2 Marks	L1	C04
9.	Differentiate basic price, producer's price and market price in national income accounting.	2 Marks	L1	C01
10.	Define LM curve.	2 Marks	L1	C02

## Part B

### Answer the Questions.

**Total Marks 80M**

<b>11.</b>	<b>a.</b>	Explain National Output and describe the problems of estimating national output.	4 Marks	L2	C01
	<b>b.</b>	Explain Gross Domestic Product at market price.	3 Marks	L2	C01
	<b>c.</b>	Explain Net National Product at factor cost.	3 Marks	L2	C01
<b>Or</b>					
<b>12.</b>	<b>a.</b>	Describe circular flow of income in a four- sector economic model with diagram.	6 Marks	L2	C01
	<b>b.</b>	Explain the items of leakages from the economic system.	2 Marks	L2	C01
	<b>c.</b>	Explain the items of injections from the economic system.	2 Marks	L2	C01

<b>13.</b>	<b>a.</b>	List out the assumptions of Classical theory of employment.	2 Marks	L2	C02
	<b>b.</b>	Discuss about factor market equilibrium and goods market equilibrium in classical theory of employment.	5 Marks	L2	C02
	<b>c.</b>	Discuss about money market equilibrium in classical theory of employment.	3 Marks	L2	C02
<b>Or</b>					
<b>14.</b>	<b>a.</b>	Discuss in detail Keynes' rejection of classical theory of employment.	5 Marks	L2	C02
	<b>b.</b>	Explain Keynesian concepts of aggregate demand, aggregate supply and effective demand.	3 Marks	L2	C02
	<b>c.</b>	Present Keynesian underemployment equilibrium of the economy with the help of diagram.	2 Marks	L2	C02

<b>15.</b>	<b>a.</b>	Explain inflation and its various measures.	4 Marks	L2	C03
	<b>b.</b>	Discuss the types of inflation based on its tendency and causes.	4 Marks	L2	C03
	<b>c.</b>	Discuss the effects of inflation on debtors and creditors.	2 Marks	L2	C03
<b>Or</b>					
<b>16.</b>	<b>a.</b>	Explain Philip's curve with the help of diagram.	4 Marks	L2	C03
	<b>b.</b>	Discuss the implications of Philip's curve.	4 Marks	L2	C03
	<b>c.</b>	Write a note about Philip's curve and stagflation.	2 Marks	L2	C03

<b>17.</b>	<b>a.</b>	Define Balance of Payments and its importance.	5 Marks	L2	C04
	<b>b.</b>	Present different sub-accounts in Balance of Payments in a table.	5 Marks	L2	C04
	<b>c.</b>	Discuss the causes of disequilibrium in Balance of Payments	5 Marks	L2	C04
<b>Or</b>					
<b>18.</b>	<b>a.</b>	Discuss the effects of monetary policy measures on Balance of Payments disequilibrium.	5 Marks	L2	C04
	<b>b.</b>	Discuss the effects of fiscal policy measures on Balance of Payments disequilibrium.	5 Marks	L2	C04
	<b>c.</b>	Discuss the effects of trade policy measures on Balance of Payments disequilibrium.	5 Marks	L2	C04

<b>19.</b>		<b>Answer the following</b>		L2	C01
	<b>a.</b>	State definitions of national income by Alfred Marshal and A.C Pigou	5 Marks	L2	C01
	<b>b.</b>	Discuss about any two important General Price Indices	5 Marks	L2	C01
	<b>c.</b>	Explain Income method and expenditure method of estimating national Income	5 Marks	L2	C01
<b>Or</b>					
<b>20.</b>	<b>a.</b>	Explain supply side economics: its emergence and its theoretical basis.	5 Marks	L2	C03
	<b>b.</b>	Discuss the essential arguments about operation of the economy by the proponents of supply side economics.	5 Marks	L2	C03
	<b>c.</b>	Explain the nature of policy level interventions proposed in supply side economics.	5 Marks	L2	C03

<b>21.</b>	<b>a.</b>	Discuss about derivation of IS curve with the help of diagram	7 Marks	L2	C02
	<b>b.</b>	Discuss about derivation of LM curve with the help of diagram	7 Marks	L2	C02
	<b>c.</b>	Explain ISLM model equilibrium with diagram	6 Marks	L2	C02
<b>Or</b>					
<b>22.</b>	<b>a.</b>	Explain cyclical disequilibrium in Balance of Payments and its implications	7 Marks	L2	C04
	<b>b.</b>	Explain structural disequilibrium in Balance of Payments and its implications	7 Marks	L2	C04
	<b>c.</b>	Explain short term and long-term disequilibria in Balance of Payments and their implications	6 Marks	L2	C04