

Seat No: \_\_\_\_\_

Enrolment No: \_\_\_\_\_

**PARUL UNIVERSITY**  
**FACULTY OF COMMERCE**  
**B.Com (Hons) Winter 2016 – 17 Examination**

**Semester:-III**

**Subject Code: 16100203**

**Subject Name: Macro Economics**

**Date: 08/12/2017**

**Time: 10:30am to 1:00pm**

**Total Marks: 60**

---

**Instructions:**

1. Attempt all questions as directed.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.

**Q-1A. Choose the appropriate answer from the following.**

**(06)**

1. The M3 and M4 are also known as \_\_\_\_\_.
  - a) Short Money
  - b) Broad Money
  - c) Long Money
  - d) Narrow Money
2. The fraction of the deposits that commercial bank must keep with RBI is \_\_\_\_\_.
  - a) SLR
  - b) CRR
  - c) Bank Rate
  - d) None of these
3. GDP =
  - a) C+I+G
  - b) C+I+G+X
  - c) C+G+X
  - d) None of these
4. \_\_\_\_\_ is Indirect Tax.
  - a) Sales Tax
  - b) Income Tax
  - c) Both a and b
  - d) None of these
5. \_\_\_\_\_ is source of Government Revenue.
  - a) Taxes
  - b) Fees
  - c) Charges
  - d) All of these
- 6 Budget word derived from French word \_\_\_\_\_.
  - a) "Bougette"
  - b) "Bague"
  - c) Budget
  - d) None of these

**Q-1 B. Give meaning.**

**(06)**

- |                 |                    |
|-----------------|--------------------|
| 1) Money        | 2) Budget          |
| 3) Indirect Tax | 4) GDP             |
| 5) Unemployment | 6) Full employment |

**Q-2 Give Answer of following Questions. (each four marks)**

**(12)**

1. Why micro economics and macroeconomics are interdependent on each other?
2. What are features of business cycle?
3. Give difference between NBFIs and Banks.
4. How budget is classified?

**Q-3 Answer following Questions. (Any Three)**

**(18)**

1. What is demand for money and supply of money?
2. Explain circular flow of income of two sector model.
3. Explain sources of government revenue.
4. Explain functions of central bank.

**Q-4 Answer any two :**

- A. What is poverty? Explain main causes of poverty. Suggest measure to correct poverty.
- B. Explain various function of commercial bank. Discuss process of credit creation.
- C. What are the objectives of monetary policy? Discuss various tools of monetary policy.

**(09)**

**(09)**

**(09)**