



PG – 589

I Semester M.Com. (F&A)/M.F.A. Examination, January 2017
(CBCS)
Paper – 1.3 : MICRO AND MACRO ECONOMICS FOR BUSINESS
DECISIONS

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any seven** sub-questions out of 10. **Each** sub-question carries 2 marks.
(7×2=14)

1. a) What is income effect ?
- b) What is Engel's curve ?
- c) Define production function.
- d) Draw the break-even chart.
- e) What is kinked demand curve ?
- f) Define national income.
- g) Define Monetary Policy.
- h) What are the objectives of fiscal policy ?
- i) Distinguish between gross interest and net interest.
- j) What is induced investment ?

SECTION – B

Answer **any four** questions out of 6. **Each** question carries 5 marks. (4×5=20)

2. Explain the law of demand and its exceptions.
3. Differentiate between income effect and substitution effect.
4. Explain the role of costs in decision making.

P.T.O.



5. How are output and pricing decisions taken in a monopoly ?
6. How are consumption, saving and investment related ?
7. What is monetary policy ? What are its objectives ?

SECTION – C

Answer **any three** questions out of 5. **Each** question carries **12** marks. (3×12=36)

8. Discuss the determinants of demand with examples.
 9. What is production function ? How is it helpful in decision making ? Explain the production function in the short-run.
 10. Discuss the role of monetary policy in a developing economy like India.
 11. Discuss the current fiscal policy and its impact on investment and employment generation.
 12. "Monopolistic competition exhibits the characteristics of both monopoly and perfect competition". Discuss.
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I Semester M.F.A. Examination, January 2016
(CBCS)
FINANCE AND ACCOUNTING
Paper – 1.3 : Micro and Macro Economics for Business Decisions

Time : 3 Hours

Max. Marks : 70

Instruction : Answer all questions.**SECTION – A**

1. Answer any 7 sub-questions out of 10. Each sub-question carries 2 marks. (7×2=14)

What do you mean by :

- Individual demand ?
- Market demand ?
- Sectors of economy ?
- Luxury good ?
- Inferior good ?
- Fixed cost Vs variable cost ?
- Perfect competition ?
- Isoquant ?
- Inflation rate ?
- Unemployment level ?

SECTION – B

Answer any 4 questions out of 6. Each question carries 5 marks. (4×5=20)

- An increase in demand due to a fall in price can be broken into 2 parts :
 - Income effect
 - Substitution effect. Explain.
- What is an isoquant ? Also what is a budget line. Explain by diagrams.
- What is break-even analysis ?

P.T.O.



5. How do you measure inflation rate ? Explain by considering a basket of two goods say, food and cloth.
6. What is Gross National Product (GNP) ? Differentiate between GNP at market price and at factor cost.
7. What is perfect competition ? What are characteristics of a product in a perfect competition ? Whether individual supplier has any role in determination of price of his product ? Explain by examples.

SECTION - C

Answer any 3 questions out of 5. Each question carries 12 marks. (3×12=36)

8. What are the various determinants of demand ? Explain role of each determinant by example and diagram. What is law of demand ?
9. What are factors of production ? Explain variation of output as labour increases from 0 to a large no. (Assume that capital is constant). Explain by a diagram and give reasons for variation at each stage. Finally what is the relationship between total output and marginal output ?
10. How price of a product gets determined by market forces ? Explain price determination in case of a monopoly market. Draw appropriate revenue and cost curves.
11. What is Gross National Product (GNP) ? How do you measure it ? What is the problem of double counting and how do you avoid it ? Why the official GNP always under reports the real GNP ? Explain above questions by examples.
12. What are the measures available to the Government to improve production, income and employment of the country ? Explain in context of fiscal policy and monetary policy of the government.