

1057
Bachelor of Commerce
Second Semester
BCM-204: Macro Economics (OLD)

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section--A. Attempt two questions each from Section B and C respectively.

x-x-x

Section – A

I. Attempt the followings:-

- a) Discuss the modern theory of rent.
- b) Explain the dynamic theory of profit.
- c) Distinguish between real and nominal wages.
- d) Discuss the Say's law of market.
- e) Explain the psychological law of consumption.
- f) Discuss the concept of secular stagnation. (4x5)

Section – B

- II. What do you understand by the concept of rent? Critically explain the Ricardian theory of rent. (15)
- III. Explain the Neo-classical theory of interest. What are its limitations? (15)
- IV. Define national income. What are the different methods of measuring national income of a country? (15)
- V. Explain the Classical theory of income, output and employment. How has this theory been redefined by Keynes? (15)

Section – C

- VI. Distinguish between average propensity to consume and marginal propensity to consume. Discuss the factors which determine the propensity to consume. (15)
- VII. What is meant by investment? What are its kinds? Suggest some measures to stimulate investment. (15)
- VIII. Explain and illustrate the meaning and working of multiplier. What are its main limitations? (15)
- IX. What is meant by marginal efficiency of capital? Discuss the short-run and long-run factors which determine it. (15)

x-x-x