Subject	Macroeconomics		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	1	Date	27-12-2014

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.
Q1) 20 Marks (Compulsory)
a. Justify the following couplet:

> *"Money is a matter of functions four;*
> *A medium, a measure, a standard, a store."*

b. Rohit is a student of economics. Help him to understand the 'Aggregate Expenditure Model'.

Attempt Any FOUR from the Remaining SIX Questions

Q2) *Any two from (a) or (b) or (c)* ——————— *(5x2) = 10 Marks*
a) Write a short note on : Monetary Policy
b) "Inflation is a situation of too much money chasing too few goods" Justify
c) Why is the US dollar called 'Vehicle Currency'?

Q3) *Any two from (a) or (b) or (c)* ——————— *(5x2) = 10 Marks*
a) Radha wants to major in economics. Explain her significance of macroeconomics.
b) Discuss in detail the migratory characteristic of Indian labour.
c) Explain the term : Creeping inflation

Q4) *Any two from (a) or (b) or (c)* ——————— *(5x2) = 10 Marks*
a) Explain the term : Disposable Income
b) Why did the German housewife burn Deuche Marks in 1923?
c) Justify the equation: MV=PT

Q5) *Any two from (a) or (b) or (c)* ——————— *(5x2) = 10 Marks*
a) Certain countries like El Salvador do not have separate legal tender. Justify
b) Write a short note on : Lender of the last resort.
c) What is meant by Cost Push Inflation?

Q6) *Any two from (a) or (b) or (c)* ——————— *(5x2) = 10 Marks*
a) What is labour? Can the effort put by dabbawalas in Mumbai be considered as labour?
b) What is stagflation?
c) Explain the term: Hedging

Q7) *Any two from (a) or (b) or (c)* ——————— *(5x2) = 10 Marks*

a) What are lessons for economics from 'The Spirit of Tata Steel'?
b) 'Consumption is never zero at any level of income. Justify.
c) What is meant by Purchasing Power Parity?