



I Year M.Com. Examination, October 2012
(2007-08 Scheme)
COMMERCE
Paper : 1.2 : Economics for Business Decisions

Time : 3 Hours

Max. Marks : 100

Instruction : All Sections are compulsory.

SECTION – A

Answer **any 8** of the following questions. **Each** question carries **two** marks. **(8×2=16)**

1. a) What is HDI ?
- b) Differentiate between Inflationary and deflationary pressure.
- c) Differentiate between macro and micro economic concept.
- d) What is deregulation of interest rate ?
- e) Differentiate between fixed and floating of exchange rate.
- f) What is Reporate and Reverse Reporate ?
- g) What is public debt ?
- h) What do you mean by balance of payment ?
- i) Mention any four unique factors determines economic growth.
- j) What is marginal efficiency of capital ?
- k) What is Budget ?

P.T.O.



SECTION – B

Answer **any 3** of the following. **Each** carries **eight** marks. **(3×8= 24)**

2. List the factors affecting economic growth. Discuss any two of them.
3. How marginal efficiency of capital and rate of interest are interrelated ? Explain.
4. How do we compute National and Per capital Income ? Explain the problems in computation of national income.
5. Explain the various components of Forex Reserves.
6. What is acceleration ? Explain its working and limitations.

SECTION – C

Answer **any four** of the following questions. **Each** carries **15** marks. **(4×15= 60)**

7. Explain the role of financial institution in providing assistance in Indian economic growth.
8. What is public finance ? Explain its role in developing country like ours.
9. Discuss the components of balance of payments. Critically evaluate India's BOP position now. What are its effects on the economy ?
10. What are the functions performed by Central Bank of India ? Explain its qualitative and quantitative measures to bring about economic stability.
11. Discuss the Foreign Direct Investment (FDI). What remedial measures are taken by GOI to stimulate the FDI ?
12. What do you mean by marginal propensity to consume ? Establish the relationship between consumption, savings and investment.