

Bankim Sardar College

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2<sup>nd</sup> year Examination

B.Com. Hons

Subject: Macro Economics

Full Marks. – 25

**Group - A**

**A)** Answer any one question from the following questions. 10×1

1. If the government expenditure increases what will be the impact on IS curve?
2. Distinguish between demand pull inflation and cost push inflation.

**Group - B**

**B)** Answer any one question from the following questions. 15×1

1. What are the different methods of determination of the national income? Explain the value added method or production method of estimating national income. 3+12
2. Show that the sum of MPC and MPS is equal to 1. What is balanced budget multiplier (BBM) Derive the balanced budget multiplier (BBM). 5 + 2 + 8