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I Semester B.Com.(Hon's) Degree Examination, August - 2021

COMMERCE

Macro Environment For Business Decisions

(CBCS New Scheme 2019-20 Onwards)

Paper : 1.4

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates :

Answer should be written completely in English

SECTION - A

Answer any **Five** sub questions. Each sub question carries **2** marks. (5×2=10)

1. a) What is National Income?
- b) What is a direct tax?
- c) What is portfolio management?
- d) What is a debt trap?
- e) Mention two causes for the growth of public expenditure in recent years.
- f) What is cost-push inflation?
- g) Give a diagrammatic representation of phases of business cycles.

SECTION - B

Answer any **Three** questions. Each question carries **5** marks. (3×5=15)

2. Distinguish between Micro and Macro Economics.
3. Explain the canons of taxation.
4. Explain different types of Inflation.
5. What is a business cycle? What are the causes of business cycles.

SECTION - C

Answer any **Three** questions. Each question carries **15** marks. (3×15=45)

6. Explain different methods of calculating National Income with limitations.
7. Explain credit creation mechanism of commercial banks with limitations.
8. Explain the causes of inflation.
9. Explain the effects of taxation on consumption, production and distribution.