

Question bank for Open Book Examination.

PRINCIPLES OF MACROECONOMICS (B.Com Program VIth Sem)

- (i) During depression, the RBI issues instructions to member banks to increase the availability of credit to borrowers for non-essential purposes also. Explain?
- (ii) Changes in monetary policy affect aggregate demand. Comment.
- (iii) There is a negative relationship between quantity of money in circulation and the value of money. Elaborate the statement.
- (iv) Government expenditure and taxes are tools of fiscal policy effective in eradicating the economic evils and restoration of national income at equilibrium level. How?

(v) An upward shift in imports curve will shift the net export function downwards. Comment.

(vi) There is an inverse relationship between $1-z$ and multipliers while there is a positive relationship between z and multipliers. Explain.
($z = MPC$).