University of Delhi
Department of Economics
B.Com (Hon) 2nd Semester
Internal Assessment-II
Paper-: (Generic Elective)-Introductory Macroeconomics

Time: **Maximum Marks: 60**

Attempt all questions
<u>All questions carry equal marks</u>

1. Using the Fisher Approach to Quantity Theory of Money, explain the relationship between quantity of money and price level

2. Write short notes on any two of the following
(a) Components of money supply
(b) Explain High Powered Money
(C Derivation of Multiplier

3. If
Consumption = Rs 200+0.6Yd
Government spending = Rs 150 crores
Investment= 150-8i
Taxes=Rs 200
Money Demand (L)= 0.2Y -2 i
Real Money supply(M/P)= Rs160

Given this information are can find out a) What is the equilibrium level of income and interest rate b) How does the equilibrium level of income change with an increase in government expenditure to 210.

4. Derive IS-LM Curves. What is the effect of shift in IS-LM curves in GDP and rate of Interest.

All the Best

Course Teacher:
Dr.D.Appala Naidu.