



# UNIVERSITY OF THE PUNJAB

B.S. 4 Years Program : Third Semester – Fall 2021

Roll No. ....

Paper: Economics (Macro) for Commerce

Course Code: ECON-231

Time: 3 Hrs. Marks: 60

**Q.1. Answer the following short questions: (6x5=30)**

- i. What do you mean by 'National Income' in Macroeconomics?
- ii. What are the determinants of Investment?
- iii. Differentiate between direct tax and indirect tax.
- iv. What is meant by Comparative Advantage? Give an example?
- v. What is the main objective of the International Monetary Fund?
- vi. How GDP is measured by expenditure approach?

**Q.2. Answer the following questions. (3x10=30)**

- a. Describe the circular flow of National Income with the help of a diagram.
- b. What are inflationary and deflationary gaps and how can we use fiscal policy to tackle the situation?
- c. What is fiscal policy? What are its objectives and tools?