

**UG COMMERCE**  
**2<sup>ND</sup> SEMESTER**  
**Paper- Macro & Indian Economy (GE-2)**

Here are 80 one-mark questions, 60 two-mark questions, and 50 long questions related to macroeconomics and the Indian economy:

**\*\*One-Mark Questions:\*\***

1. What is macroeconomics?
2. Define Gross Domestic Product (GDP).
3. What is inflation?
4. Define fiscal policy.
5. Explain the concept of monetary policy.
6. What is unemployment?
7. Define fiscal deficit.
8. Explain the term "current account deficit."
9. What is the balance of payments?
10. Define the term "exchange rate."
11. What is a recession?
12. Explain the concept of the Consumer Price Index (CPI).
13. Define the term "deflation."
14. What is the poverty line?
15. Explain the concept of the fiscal multiplier.
16. Define the term "Monetary Policy Committee (MPC)."
17. What is a trade surplus?
18. Explain the concept of a trade deficit.
19. Define the term "repo rate."
20. What is the Phillips Curve?
21. Explain the concept of Gross National Income (GNI).

22. Define the term "stagflation."
23. What is the Human Development Index (HDI)?
24. Explain the concept of open market operations.
25. Define the term "crowding out."
26. What is the Laffer curve?
27. Explain the concept of fiscal consolidation.
28. Define the term "depreciation."
29. What is the black economy?
30. Explain the concept of the Gini coefficient.
31. Define the term "nominal GDP."
32. What is the Laffer curve?
33. Explain the concept of fiscal consolidation.
34. Define the term "depreciation."
35. What is the black economy?
36. Explain the concept of the Gini coefficient.
37. Define the term "nominal GDP."
38. What is the underground economy?
39. Explain the concept of a trade surplus.
40. Define the term "budget deficit."
41. What is the marginal propensity to consume (MPC)?
42. Explain the concept of fiscal stimulus.
43. Define the term "quantitative easing."
44. What is a central bank?
45. Explain the concept of external debt.
46. Define the term "structural unemployment."
47. What is fiscal responsibility and budget management (FRBM)?
48. Explain the concept of the business cycle.
49. Define the term "devaluation."
50. What is foreign exchange reserve?

**\*\*Two-Mark Questions:\*\***

1. Discuss the objectives of macroeconomic policy and their importance.
2. Explain the three approaches to measuring GDP: production, income, and expenditure.
3. Discuss the causes and consequences of inflation in an economy.
4. Describe the tools of fiscal policy and how they can be used to stabilize the economy.
5. Explain the functions of money in an economy.
6. Discuss the role of the Reserve Bank of India (RBI) in controlling monetary policy.
7. Explain the types of unemployment and their economic implications.
8. Discuss the components of India's current account and capital account in the balance of payments.
9. Describe the factors that influence exchange rates in international trade.
10. Explain the concept of fiscal deficit and its impact on an economy.
11. Discuss the implications of a trade deficit for a country's economy.
12. Explain the concept of interest rates and their role in monetary policy.
13. Describe the factors that contribute to income inequality in India.
14. Discuss the importance of the fiscal multiplier in fiscal policy.
15. Explain the objectives and functions of the Monetary Policy Committee (MPC).
16. Discuss the factors that can lead to economic recession and how it can be managed.
17. Explain the concept of the Consumer Price Index (CPI) and its significance.
18. Discuss the role of the central bank in regulating the money supply.
19. Explain the relationship between inflation and unemployment using the Phillips Curve.
20. Discuss the concept of Gross National Income (GNI) and its calculation.
21. Explain the significance of the Human Development Index (HDI) in measuring development.
22. Discuss the impact of globalization on India's economy.
23. Explain the concept of open market operations and how they affect the money supply.
24. Describe the concept of fiscal crowding out and its implications.
25. Discuss the objectives and impact of fiscal policy in promoting economic growth.

26. Explain the concept of fiscal stimulus and its use during economic downturns.
27. Describe the factors that can lead to a trade surplus and its implications.
28. Explain the role of the RBI in regulating the exchange rate.
29. Discuss the concept of a fixed exchange rate and its advantages and disadvantages.

30. Explain the relationship between interest rates and investment in an economy.
31. Describe the factors that contribute to income inequality in India.
32. Discuss the importance of fiscal discipline and fiscal responsibility in economic management.
33. Explain the concept of a balanced budget and its implications.
34. Discuss the impact of government borrowing on interest rates and the financial market.
35. Explain the role of the Goods and Services Tax (GST) in India's tax system.
36. Describe the components of India's foreign exchange reserves.
37. Discuss the factors that can lead to structural unemployment in an economy.
38. Explain the objectives and key provisions of the Fiscal Responsibility and Budget Management (FRBM) Act.
39. Discuss the impact of demonetization on India's economy.
40. Explain the concept of a floating exchange rate and its advantages and disadvantages.

**\*\*Long Questions:\*\***

1. Discuss the major challenges facing the Indian economy in the 21st century and the role of macroeconomic policy in addressing them.
2. Explain the circular flow of income and expenditure in a closed economy and its implications for GDP.
3. Analyze the factors that contribute to inflation in India and the measures to control it.
4. Discuss the objectives, functions, and tools of fiscal policy, and provide examples of their use in India.
5. Explain the functions and significance of money in an economy, and discuss the measures to control money supply.
6. Analyze the relationship between interest rates and investment, and their impact on economic growth.
7. Discuss the objectives and instruments of monetary policy in India and their effectiveness.
8. Explain the different types of unemployment in India, their causes, and potential solutions.

9. Analyze the components of India's balance of payments, including the current account and capital account.
10. Discuss the factors influencing exchange rates and their impact on international trade and capital flows.
11. Explain the concept of fiscal deficit, its causes, and the strategies to reduce it.
12. Analyze the reasons for India's trade deficit and its impact on the economy.

13. Discuss the role of the Reserve Bank of India (RBI) in regulating the financial system and monetary policy.
14. Explain the concept of the fiscal multiplier and its role in fiscal policy.
15. Discuss the objectives and functions of the Monetary Policy Committee (MPC) in India.
16. Analyze the relationship between inflation and unemployment using the Phillips Curve, and its relevance in policy formulation.
17. Discuss the concept of Gross National Income (GNI) and its significance in measuring economic well-being.
18. Explain the concept of the Human Development Index (HDI) and its application to India's development.
19. Analyze the impact of globalization on India's economy, including its benefits and challenges.
20. Discuss the role of open market operations in the conduct of monetary policy and their effects on the economy.
21. Explain the concept of fiscal crowding out and its implications for government spending.
22. Discuss the objectives and impact of fiscal policy on economic stability and growth.
23. Analyze the concept of fiscal stimulus and its use during economic recessions, with reference to India.
24. Discuss the factors contributing to India's trade surplus and its effects on the economy.
25. Explain the role of the RBI in regulating the exchange rate and its implications for India's international trade.
26. Analyze the benefits and drawbacks of a fixed exchange rate regime for an emerging economy like India.
27. Discuss the relationship between interest rates and investment in an economy, with reference to India.
28. Explain the measures taken by the Indian government to address income inequality and poverty.
29. Analyze the objectives and key provisions of the Fiscal Responsibility and Budget Management (FRBM) Act.

30. Discuss the impact of demonetization on India's economy, including its goals and outcomes.