



**DOON UNIVERSITY, DEHRADUN**  
**Final Examination, First Semester, 2015**  
**School of Social Sciences**  
**Course: SSEI-111: Macroeconomics-I**

*Time Allowed: 3Hours*

*Maximum Marks: 50*

**Section A**

**Attempt all Questions in this section**

**(5x2=10)**

1. What is the difference between CPI and GDP Deflator
2. What do you mean by Seigniorage? What is inflation tax
3. Explain fisher effect
4. What is job separation and job finding?
5. What is frictional and structural unemployment?

**Section B**

**Attempt all Questions in this section**

**(5x4=20)**

1. Explain functions of money
2. Explain different costs of expected inflation
3. Determine equation for the rate of unemployment
4. If 3 percent of employed lose their job each month and 25 percent of unemployed find a job each month find the rate of unemployment
5. What are net capital outflow and trade balance? How are they related?

**Section C**

**Attempt any Two question.**

**(2x10=20)**

1. Explain different measures of money? What are the different ways to control the quantity of money by monetary authority?
2. If a small economy increases the defense spending what happens to saving, investment, trade balance, interest rate and exchange rate? Explain with diagram.
3. Explain with diagram how the expansionary fiscal policy in a large economy effects the trade balance in the small economy