

Roll No.

Total No. of Questions : 07]

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BBA (Sem. - 2nd)
MACRO ECONOMICS
SUBJECT CODE : BB - 202
Paper ID : [C0208]

[Note : Please fill subject code and paper ID on OMR]

Time : 03 Hours

Maximum Marks : 60

Instruction to Candidates:

- 1) Section - A is **Compulsory**.
- 2) Attempt any **Four** questions from Section - B.

Section - A

Q1)

(10 × 2 = 20)

- a) Distinguish between Partial and General equilibrium.
- b) Define Gross National Product at market price.
- c) Define aggregate demand.
- d) What is the relationship between Marginal Efficiency of Capital (MEC) and rate of interest.
- e) Distinguish between induced and autonomous investment.
- f) What is multiplier? if Marginal Propensity to Consume (MPC) is 0.5 and an investment of Rs. 20 crores is made in public sector. Calculate the size of multiplier K and change in income in the economy.
- g) How does quantity of money affect prices? What are keynes' views?
- h) What is the meaning of involuntary unemployment?
- i) Define inflation.
- j) What are the primary functions of money?

Section - B

(4 × 10 = 40)

- Q2) Explain and draw circular flow of income and expenditure in a four sector economy.
- Q3) Explain Say's Law of market. What are its implications?
- Q4) Discuss the various factors which determine the consumption.
- Q5) What are the instruments of monetary policy to control inflation in an economy?
- Q6) What are the main objectives of a fiscal policy?
- Q7) Critically examine Neo-Classical theory of rate of interest.

