

Total No. of Questions: 09

B.Sc. Business Economics (BBE) (2015 to 2017) (Sem.-4)

MACROECONOMICS-II

Subject Code: BBE-403 M.Code: 74371

Time: 3 Hrs. Max. Marks: 60

INSTRUCTIONS TO CANDIDATES:

- SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
- 2. SECTION-B consists of FOUR Sub-sections: Units-I, II, III & IV.
- 3. Each Sub-section contains TWO questions each, carrying TEN marks each.
- 4. Student has to attempt any ONE question from each Sub-section.

SECTION-A

1. Answer briefly:

- a) Define aggregate demand.
- b) Differentiate between money wage and real wage.
- c) What is proportional tax system?
- d) What are the main sources of public revenue?
- e) Differentiate between capital market and money market.
- f) Define open economy.
- g) What are rational expectations?
- h) What is subsidy?
- i) What is nominal wage rigidity?
- j) What are the causes of increasing public expenditure?

1 M-74371 (S12)-960



SECTION-B

UNIT-I

- 2. Explain the instruments of monetary policy used by the central bank.
- 3. Discuss the effect of shift in IS and LM curves on equilibrium GDP and rate of interest.

UNIT-II

- 4. Describe the rational expectations hypothesis. What are its implications?
- 5. Discuss the policy ineffectiveness proposition based on theory of rational expectations.

UNIT-III

- 6. What is financial market? Discuss the importance of financial markets.
- 7. Discuss the dynamic investment theory.

UNIT-IV

- 8. Explain Solow Swan Model of economic growth.
- 9. Discuss the properties of Ramsey Model.

NOTE: Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.

2 | M-74371 (S12)-960