Roll No. ☐☐☐☐☐☐☐☐☐☐          Total No. of Pages : 02

Total No. of Questions : 09

**BBA (2013 to 2017) / B.SIM/BRDM (2014 & Onwards)**
**(Sem.–2)**
## MACROECONOMICS
**Subject Code : BBA-202**
**M.Code : 10545**

Time : 3 Hrs.                    Max. Marks : 60

**INSTRUCTION TO CANDIDATES :**

1. **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) What do you mean by flow variable?

    b) What is partial equilibrium?

    c) What is meant by static analysis?

    d) What is Say's law of market?

    e) What is consumption function?

    f) Define absolute income hypothesis.

    g) What determines investment?

    h) What is net present value?

    i) What is a tax multiplier?

    j) What do you mean by fiscal policy?

## SECTION-B

### UNIT-I

2.  What do you understand by macroeconomics? Discuss the nature and scope of macroeconomics.

3.  What are the methods of measuring national income? What conceptual problems arise in estimating national income?

### UNIT-II

4.  Explain briefly classical theory of income and employment. How does this theory show that a free market economy automatically adjusts to full employment level?

5.  Discuss the permanent income hypothesis of consumption. Explain its weaknesses.

### UNIT-III

6.  What is meant by marginal efficiency of capital? Discuss its relevance in decision-making in respect of investment.

7.  Distinguish between static multiplier and dynamic multiplier. Explain them with the help of appropriate graphs.

### UNIT-IV

8.  What is inflation? Distinguish between demand-pull inflation and cost-push inflation. Suggest measures to control cost-push inflation.

9.  Explain Cambridge cash balance approach of the quantity theory of money. How does it differ from the Fisher's transactions approach?

**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.**