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Total No. of Pages: 02
Total No. of Questions: 07

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

Time: 3 Hrs.

Max. Marks: 60

Instructions to Candidates:

- 1. SECTION -A is compulsory consisting of Ten questions carrying TWO marks each.**
- 2. SECTION - B contains SIX questions carrying TEN marks each and students have to attempt any FOUR questions.**

SECTION -A

1. Answer briefly
 - a. Differentiate briefly between the stock and flow variables.
 - b. Classify any two main assumptions of classical theory of output and employment.
 - c. What is private income?
 - d. Explain say's law in barter economy.
 - e. Define effective demand.
 - f. Define the psychological law of consumption with respect to absolute income hypothesis.
 - g. Differentiate between autonomous and induced investment.
 - h. What are the two main determinant of marginal efficiency of capital? Define them.
 - i. Give any two leakages of multiplier.
 - j. What are the two primary function of money?

SECTION - B

2. Explain in detail the circular flow of income in a two sector system. Also explain the effect of injection and withdrawals upon the circular flow of income.
3. Explain the accounting of national product through matrices and discuss its ever increasing application in modern times.
4. The aggregate demand and aggregate supply determine equilibrium output and employment. Discuss.

5. Discuss in detail the cost push inflation theories (with special reference to wage push, mark-up pricing and profit push).
6. Explain income propagation due to net exports in foreign trade multiplier? What are the implications of foreign trade multiplier analysis?
7. What is meant by monetary policy? Discuss the effectiveness of monetary policy in boom and inflation.

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