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Total No. of Pages : 02

Total No. of Questions : 07

**BBA (2009 to 2011 Batch) (Sem.-2)**

**MACROECONOMICS**

**Subject Code : BB-202**

**Paper ID : [C0208]**

**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** contains **SIX** questions carrying **TEN** marks each and a student has to attempt any **FOUR** questions.

**SECTION A**

**I. Answer briefly :**

- a) Define wealth.
- b) Explain relative income.
- c) Describe the meaning of macroeconomics.
- d) Define net domestic product at market price.
- e) Explain personal income.
- f) Define aggregate supply.
- g) Explain marginal propensity to save.
- h) Explain the role played by expectations in the Keynesian theory of investment.
- i) Discuss the classical concept of savings.
- j) Explain consumption function.

### SECTION B

2. Explain the circular flow of income and expenditure in the economy.
3. Critically evaluate the Classical theory of income, output and employment.
4. What is Keynesian absolute income hypothesis?
5. Compare the static and dynamic multiplier.
6. What is inflation? Explain the demand pull and cost push theories of inflation.
7. Critically evaluate Classical theory of money supply.