

Roll No.

Total No. of Pages : 02

Total No. of Questions : 07

BBA (2010 & 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

- 1. Write briefly :**
- (a) What are the areas covered under Macro Economics?
 - (b) Distinguish between general equilibrium and partial equilibrium.
 - (c) Show the circular flow of output income and expenditure in a two sector economy by taking households and enterprises.
 - (d) What do you understand by Mixed Income?
 - (e) Define Propensity to Save.
 - (f) What do you understand by planned investment?
 - (g) What are the leakages from the process of income generations?
 - (h) What do you understand by Open and Suppressed inflation?
 - (i) What is the role of money in a capitalistic economy?
 - (j) What are main objectives of monetary policy?

SECTION-B

2. A Sells output worth Rs. 100 to B, Rs. 150 to C and Rs. 100 to final consumption, while output worth Rs. 150 remain unsold with A. B sells his output worth Rs. 200 to C, Rs. 300 to D and Rs. 250 to final consumption. C sells his output worth Rs. 500 to D and worth Rs. 500 to final consumption, D sells his output worth Rs. 1500 to final consumption and Rs. 500 to the government. Find out the gross value added at market prices.
3. Explain classical theory of output and employment.
4. What is Consumption Function? Explain Permanent Income Hypothesis about consumption function.
5. What is the meaning of Marginal Efficiency of Capital (MEC)? What are the factors those affect MEC?
6. Define interest. How rate of interest is determined according to classical economists?
7. Explain Fisher's equation of quality theory of money.