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Roll No.				Total No. of Pages: 02

Total No. of Questions: 09

BBA (2012 & onward Batches)

Bachelor in Service Industry Management (SIM)/BRDM (2014 & onwards) (Sem.-2)

MACRO ECONOMICS

Subject Code: BBA-202 Paper ID: [C0241]

Time: 3 Hrs. Max. Marks: 60

INSTRUCTION TO CANDIDATES:

- 1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
- 2. SECTIONS-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. Write briefly:

- a. Define macroeconomics.
- b. What are the two major difficulties in measuring national income?
- c. Define laissez faire.
- d. Critically evaluate the say's law of market briefly.
- e. Define internal rate of return.
- f. Define speculative motive of Keynesian demand for money.
- g. What is a static multiplier?
- h. Compare the classical and Keynesian theory of interest rate.
- i. Define CRR.
- j. What are open market operations?

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SECTION-B

UNIT-I

- 2. Explain the various concepts of national income. Under what circumstances national income tends to be underestimated?
- 3. Explain the circular flow of income (diagrammatically) in an economy including the foreign sector.

UNIT-II

- 4. 'Supply creates its own demand'. Critically examine this statement.
- 5. Compare and contrast the life cycle and permanent income hypothesis.

UNIT-III

- 6. Discuss the concept of multiplier as put forward by Khan and Keynes.
- 7. What do you mean by induced investment? Discuss in detail the determinants of inducement to invest.

UNIT - IV

- 8. Distinguish between demand pull and cost push inflation. How have these two views on inflation been reconciled?
- 9. Compare and contrast the transactions and cash balances approach of quantity theory of money.

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