DC-109

December-2013

5 Years MBA Integrated (K.S.) TY MBA

Macro Economics

Time : 3 Hours]   **[Max. Marks : 70**

Instructions :   (1)   Be neat and legible.

                 (2)   Attempt all the **five** questions.

1.   (a)   What are the major macro economic issues facing India ?   **5**

      (b)   Elaborate the meaning of NNP at factor cost. Also derive personal disposable income from NNP at factor cost.   **15**

2.   (a)   Explain the meaning of the concept of consumption function and write the assumptions and implications of Keyne's Law.   **10**

<div align="center">OR</div>

      (a)   Discuss the concept of investment multiplier and its role in the theory of income and employment.   **10**

      (b)   What do you mean by saving ? Explain the determinants of savings.   **10**

3.   (a)   "Supply creates its own demand." – Discuss this statement in detail along with the criticisms.   **12**

      (b)   Discuss the postulates as laid down by the classical economists.   **8**

<div align="center">OR</div>

      (b)   Explain the determination of equilibrium level of employment with the help of ADP and ASP.   **8**

4. Write brief notes on any **four** : **20**

   (a) Determinants of consumption.

   (b) Formation of fiscal policy through IS-LM curve.

   (c) Distinguish between marginal efficiency of capital and marginal efficiency of investment.

   (d) Paradox of thrift.

   (e) Differentiate between average propensity to save and marginal propensity to save.

5. (a) Define autonomous investment and induced investment. **4**

   (b) What do you understand by LM curve ? Explain the nature of the curve. Also explain the shift and slope of LM curve. **16**

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