

Seat No. : _____

AS-101

May-2016

BA, BBA, B.Com., LL.B. (Int.), Sem.-II

IL BBA-110 : Principles of Economics (Macro)

Time : 3 Hours]

[Max. Marks : 100

1. (A) Define Macro Economics and discuss its scope. 7

OR

Discuss difficulties in measurement of National income.

(B) Write a detailed note on a circular flow of national income in a four sector model. 7

OR

Explain different methods of calculating national income in brief.

2. (A) Write a detailed note on consumption function by Keynes. 7

OR

Write a detailed note on liquidity preference theory of interest rate determination.

(B) Discuss the concept of investment multiplier in detail. 7

OR

Write a detailed note on investment function.

3. (A) What is Money ? Discuss its functions. 7

OR

Explain the meaning of inflation and different measures to control inflation.

(B) What is a business cycle ? Discuss its features. 7

OR

What is inflation ? Discuss its causes.

4. (A) What is monetary policy ? Discuss its objectives. 7

OR

Discuss different tools of fiscal policy.

(B) What is Balance of Payments ? Discuss its structure. 7

OR

Explain causes of disequilibrium in Balance of Payments.

5. Short questions : 14

- (1) Define National Income.
 - (2) Define Personal Income.
 - (3) Give the full form of NIT.
 - (4) What is a stock concept ?
 - (5) Give the formula to find out investment multiplier.
 - (6) "Value of MPC can exceed 1." Whether the statement is true or false.
 - (7) State the components of aggregate demand.
 - (8) What are static functions of money ?
 - (9) Give the formula to find out M3.
 - (10) Define Deflation.
 - (11) State phases of a business cycle in sequence.
 - (12) Give full form of CRR.
 - (13) Define Balance of Trade.
 - (14) Define Devaluation of a Currency.
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