

Seat No. : _____

MR-101

May-2022

B.B.A., Sem.-II

CC-111 : Economics

(Principles of Economics (Macro) – II)

Time : 2 Hours]

[Max. Marks : 50

- Instructions :**
- (1) All Questions in Section-I carry equal Marks.
 - (2) Attempt any **two** questions in Section-I.
 - (3) Question – 5 in Section – II is Compulsory.

Section – I

1. (A) Define Macro Economics. Explain the scope of Macro Economics. **10**
(B) Explain the difficulties in measuring National Income. **10**
2. (A) Explain the Psychological law of Consumption function. **10**
(B) Discuss the liquidity preference theory of rate of interest. **10**
3. (A) What is Money ? Explain the functions of Money. **10**
(B) What is Business Cycle ? Explain the phases of Business Cycle. **10**
4. (A) Explain the various tools of Monetary Policy. **10**
(B) Define Balance of payment. Explain the differences between Balance of trade and Balance of payments. **10**

Section – II

5. MCQs : (Any Ten) **10**
 - (1) $MPC + MPS =$ _____.
 - (a) Zero
 - (b) Less than one
 - (c) Equals to one
 - (d) More than one
 - (2) National Income is a coin with _____.
 - (a) Two sides
 - (b) Three sides
 - (c) Four sides
 - (d) Five sides

- (3) Which statement is true ?
- (a) $C = f(y)$ (b) $C = f(r)$
(c) $C = f(c, r)$ (d) $C = f(y, I)$
- (4) According to Keynes, if there is a decrease in Investment, MEC will _____.
- (a) Rise (b) Fall
(c) Remains same (d) be reduced to zero
- (5) Broad money means
- (a) M1 (b) M2
(c) M3 (d) M4
- (6) National Income at constant price is known as,
- (a) Money Income (b) Real Income
(c) Total Income (d) Net Income
- (7) National income is a _____ concept.
- (a) Flow (b) Stock
(c) Neutral (d) None
- (8) The term macro economics is derived from _____ language.
- (a) Greek (b) English
(c) French (d) German
- (9) Monetary policy is the policy of _____.
- (a) RBI (b) SBI
(c) IMF (d) BOB
- (10) Deflation represents a situation of _____ price level.
- (a) Declining (b) Rising
(c) Constant (d) None of these
- (11) Stagflation is a situation of _____.
- (a) Declining price level and employment
(b) Rising price level and Falling employment level
(c) Rising price level and Rising employment
(d) None of these
- (12) Business cycle has _____ phases.
- (a) 2 (b) 3
(c) 4 (d) 5
- (13) Is directly acceptable as means of payment ?
- (a) Time deposits (b) Currency notes
(c) Shares (d) Bills of Exchange
- (14) The concept of Investment multiplier has been given by _____
- (a) Keynes (b) J. B. Say
(c) Pigou (d) R.H. Kahn
- (15) What happens to value of money during inflation ?
- (a) Falls (b) Rises
(c) Constant (d) None of these