**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**

Discus 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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