

Seat No. : \_\_\_\_\_

**NQ-125**

**November-2017**

**3<sup>rd</sup> Year MBA., (Integrated)**

**Macro Economics**

**Time : 3 Hours]**

**[Max. Marks : 100**

1. (1) Write the meaning of the term GDP. Differentiate between  $GDP_{MP}$  and  $GDP_{FC}$ .  
Also discuss the importance of National Income Analysis. **12**
  - (2) Explain the limitations associated with the Measurement of National Income through Income Method and Expenditure Method. **8**
  2. Discuss the Saving Function. Also explain the Keynes's Psychological Law of Consumption function in detail. **20**
  3. Answer any **two** : **20**
    - (1) Critically evaluate the Say's Law of Market.
    - (2) Explain the concept of Effective Demand as given by Keynes. How can we determine Effective Demand with the help of Aggregate Supply Price and Aggregate Demand Price ?
    - (3) Explain the Basic assumptions of Classical Theory and write the criticisms as forwarded against the Classical Theory.
  4. Attempt any **two** : **20**
    - (1) Explain the meaning of goods market and money market. Also discuss the Equilibrium conditions of both the market.
    - (2) Explain IS Curve in detail.
    - (3) Explain the slope of IS Curve and shift in IS Curve. State the reasons thereof.
  5. Derive the LM Curve with the help of other curve and explain the shift in LM Curve. **20**
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