PAPER ID-310553

Subject Code: KMBI501

Roll No: | | | | | | | | | | | | | |

MBA-INT
(SEM V) THEORY EXAMINATION 2023-24
MACRO ECONOMIC

TIME: 3 HRS

M.MARKS: 100

Note: 1. Attempt all Sections. If require any missing data; then choose suitably.

SECTION A

1. **Attempt *all* questions in brief.**

Qno.	Question	Marks	CO
a.	Write any four differences between Macroeconomics and Microeconomics	2	1
b.	Define GDP.	2	1
c.	What do you mean by Supply of Money?	2	2
d.	Define Paradox of Thrift	2	2
e.	Give two factors that affect the propensity to consume.	2	3
f.	What is Marginal Efficiency of Capital?	2	3
g.	What do you mean by Transactions Money?	2	4
h.	Define Stagflation.	2	4
i.	What is Business Cycle?	2	5
j.	What do you mean by Depression?	2	5

SECTION B

2. **Attempt any *three* of the following:**

a.	What is the relevance of national income statistics in business decisions? What kinds of business decisions are influenced by the change in national income?	10	1
b	Explain the theory of Keynesian Model of Employment and Income	10	2
c.	Explain Law of Consumption. Differentiate between Average Propensity to Consume (APC) and Marginal Propensity to Consume (MPC)	10	3
d.	Define inflation. How is a general rate of inflation calculated in an economy	10	4
e.	How does government/central bank use instruments of monetary policy to ensure stability in the economy?	10	5

SECTION C

3. **Attempt any *one* part of the following:**

a.	Do you think study of Macro Economic aggregates is useful for an individual firm? Justify your answer	10	1
b.	What are the factors affecting National Income? What are the uses of National Income Statistics?	10	1

4. **Attempt any *one* part of the following:**

a.	What are the different problems in measuring Unemployment? Explain	10	2
b.	Show interrelation between markets through the 'circular flow of income'	10	2

5. **Attempt any *one* part of the following:**

a.	Explain the Investment function with suitable examples.	10	3
b.	Describe Consumption Function. Explain the factors affecting consumption function	10	3

6. **Attempt any *one* part of the following:**

a.	'According to speculative demand for money, when interest rates are low, investors wish to hold bonds and therefore, the demand for money will be low.' Do you agree with the statement? Justify your answer.	10	4
b	Is inflation always bad? Justify your answer giving suitable arguments	10	4

7. **Attempt any *one* part of the following:**

a.	What do you mean by Fiscal Policy? Also explain the role of Government in making Fiscal Policy	10	5
b.	What are the remedial measures to tackle the problem of Business cycles?	10	5

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