

**Punjab Technical University**  
**BBA Examination 2006-2007**

**BBA (203) (Old) (Semester. - 2<sup>nd</sup>) MACRO ECONOMICS 2007**

**Time : 03 Hours Maximum Marks : 75**

**Instruction to Candidates:**

- 1) Section -A is Compulsory.**
- 2) Attempt any Nine questions from Section - B.**

**Section - A**

**(15 × 2 = 30)**

Q1)

- a) Effective Demand.
  - b) Disequilibrium.
  - c) Gross National Product.
  - d) Private Income.
  - e) Aggregate Supply.
  - f) Define Tax Multiplier.
  - g) Static Vs. Dynamic Multiplier.
  - h) Absolute Income Hypothesis.
  - i) Consumption function.
  - j) Average Propensity to Consume.
  - k) Autonomous Investment.
  - l) Supply Price.
  - m) Business Expectations
  - n) Monetary Policy.
  - o) Public Expenditure.
- J-8011[S-9700428] P.T.O.

**Section - B**

**(9 × 5 = 45)**

- Q2) Explain in detail ?Economic Statics?.
- Q3) Discuss briefly the Sectoral Accounting method of measurement of National Income.
- Q4) Show with the help of a diagram how equilibrium level of output and employment is determined in keynesian System.
- Q5) List out the main problems of measurement of National Income.
- Q6) Explain the Income generation process through Dynamic Multiplier.
- Q7) Discuss in brief the working of Foreign Trade Multiplier.
- Q8) What are basic determinants of a consumption function?
- Q9) What is Income? Discuss the Permanent Income Hypotheses.
- Q10) Define MEC? Explain the measures to promote investment.
- Q11) Describe the cost push theory of inflation.
- Q12) Distinguish between Monetary and fiscal Polices.
- Q13) Explain in brief the classical approach in relation to interest rate determination.

