

**Punjab Technical University**  
**BBA Examination 2007-2008**

**BBA Semester 2<sup>nd</sup> MACRO ECONOMICS 2008**

**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]**

- a) Macro Economics.
- b) Equilibrium.
- c) National Income.
- d) Double Entry System of Income measurement.
- e) Aggregate Demand.
- f) Components of Permanent Income.
- g) Multiplier.
- h) Foreign Trade.
- i) Marginal Propensity to Consume.
- j) Assumptions of Relative Income Hypothesis.
- k) Induced Investment.
- l) Prospective Yield.
- m) State how MEC is related to Interest Rate.
- n) Demand Full Inflation.
- o) Hyper Inflation.

**Section-B [9 × 5 = 45]**

- Q2) Explain Economic Statics in detail.
- Q3) Discuss briefly the Matrix approach to measure National Income a Country.
- Q4) List out the main concepts of National Income.
- Q5) State the assumptions of Keynesian Theory of Employment.
- Q6) Critically evaluate the Balanced Budget Multiplier.
- Q7) Give the meaning and significance of Consumption Function.
- Q8) Explain the relevance of Multiplier to developing Economy.
- Q9) Explain the Absolute Income Hypothesis in brief.
- Q10) What is Inflation? Discuss its types.
- Q11) Discuss briefly the Classical Approach with reference to interest rate determination.
- Q12) State the important features of Keynesian theory of Income and Employment.
- Q13) Comment on the Effectiveness of Monetary Policy?