

Roll No. ....

Total No. of Questions : 07]

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## Paper ID [BB202]

(Please fill this Paper ID in OMR Sheet)

BBA (Sem. - 2<sup>nd</sup>)

MACRO ECONOMICS (BB - 202)

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Time : 03 Hours

Maximum Marks : 60

### Instruction to Candidates:

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

### Section - A

**Q1)**

**(10 × 2 = 20)**

- a) Differentiate between partial and general equilibrium.
- b) Define GDP and NDP.
- c) What are the basic assumptions of classical theory of employment?
- d) What is the importance of consumption function?
- e) What is Autonomous Investment?
- f) What are the determinants of marginal efficiency of capital?
- g) What are the leakages from the multiplier?
- h) Define Inflation.
- i) What are the objectives of fiscal policy?
- j) Define money.

## Section - B

(4 × 10 = 40)

- Q2)** Define circular flow of income. Explain circular flow of income in a three sector economy.
- Q3)** Explain Say's Law of Market. What are its implications?
- Q4)** What is Effective Demand? How does it determine the level of employment?
- Q5)** Explain liquidity preference theory of rate of interest.
- Q6)** Define multiplier, what is its relevance in the developing countries?
- Q7)** Examine the role of monetary policy to control inflation.

