

**I Semester M.B.A. (F.E) Examination, Dec.2009/Jan. 2010
MACRO MONETARY ECONOMICS**

Time: 3Hours

Max. Marks: 80

SECTION – A

1. Answer all sub-questions. Each question carries two marks. **(2x5=10)**
- Define the law of demand.
 - What is income elasticity of demand?
 - Define macroeconomics.
 - State the objectives of monetary policy.
 - What are the causes of inflation?

SECTION – B

- Answer any five questions. Each question carries seven marks. **(5x7=35)**
- Explain the concept of production possibility frontier in macroeconomics.
 - Discuss the basis of market economics.
 - Describe the exchange rate policy in India.
 - What are the determinants of price elasticity of demand?
 - What are monetary policy tools?
 - Discuss the stance of fiscal policy.
 - What are the criteria for a sound fiscal policy?

SECTION – C

- Answer any two questions. Each question carries ten marks. **(2x10=20)**
- Discuss the role of government in market economics.
 - Explain the factors affecting demand elasticity.
 - Explain the effects of government price controls.
 - Differentiate between monetary policy and fiscal policy.

SECTION – D

- Answer any one question. Each question carries fifteen marks. **(1x15=15)**
- Explain monetary and fiscal policies in market economics.
 - Discuss the various types of monetary policies.