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SARDAR PATEL UNIVERSITY
BBA (Sem-II; CBCS) EXAMINATION
Friday, 10ᵗʰ April - 2015

UM02CBBO5 / UM02CBBF05: Macro Economics

2.30 pm to 4.30 pm

Total marks: 60

Note: **(1)** **Answer should be to the point.**

(2) **Figures to the right indicate full marks of the question.**

Q.1 (a) Define effective demand and discuss the theory of effective demand in detail. *(08)*

(b) Define and explain consumption function with the help of schedule and diagram. *(07)*

OR

Q.1 (a) Elaborate the concepts of average propensity to consume (APC), marginal propensity to consume (MPC), average propensity to save (APS), and marginal propensity to save (MPS) with example. *(08)*

(b) Discuss the concept of investment multiplier with example and diagram. *(07)*

Q.2 Elaborate various problems faced in the measurement of national income. *(15)*

OR

Q.2 (a) Explain the concept of GDP, GNP, NDP, NNP at market price and at factor cost. *(08)*

(b) List out and explain the different methods of measurement of national income. *(07)*

Q.3 What is disequilibrium in balance of payments? Discuss the causes and methods to correct disequilibrium in balance of payments. *(15)*

OR

Q.3 (a) What is foreign trade multiplier? Explain it with example and diagram. *(08)*

(b) Discuss the comparative cost advantage theory of international trade. *(07)*

Q.4 Define direct taxes. Discuss the advantages and disadvantages of direct taxes. *(15)*

OR

Q.4 (a) Define public debt. Explain different methods of public debt redemption. *(08)*

(b) Write note on deficit financing and its safe limit. *(07)*

*****THE END*****