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A-52

**SARDAR PATEL UNIVERSITY**  
**B.B.A(ISM) (II SEMESTER EXAMINATION)**  
**Monday 04 th April 2016**  
**02: 30 P.M TO 04:30 P.M**  
**UM02CBBS06/9 – MACRO ECONOMICS**

**Total marks 60**

**Note: - Figure to the right indicate marks.**

**Draw diagrams and cite examples wherever necessary.**

Q-1(A) Define National Income. Explain the methods of calculating National Income. (08)

(B) Explain in detail the central problems of economics. (07)

OR

Q-1(A) What is National Income? Explain in detail the difficulties arise in calculating in National Income. (08)

(B) Discuss the types of Economics System in detail. (07)

Q-2 (A) What is Interest? Explain the liquidity preference Theory of interest. (08)

(B) Explain the theory of Income and Employment given by Keynes. (07)

OR

Q-2(A) What is Multiplier? Explain the leakages of Multiplier. (08)

(B) Explain the psychological law of consumption given by Keynes. (07)

Q-3(A) Discuss Milton Friedman's quantity theory of money. (08)

(B) What is Money? Explain the components of Money supply. (07)

OR

Q-3(A) Explain the theory of comparative cost. (08)

(B) Explain the process of Credit Creation as major function of commercial bank. (07)

Q-4(A) Define Business Cycle? Explain various phases of business cycle. (08)

(B) Discuss the causes of increase in Public Debt. (07)

OR

Q-4(A) What is Inflation? Explain the effects of Inflation on various sections of the Society. (08)

(B) Discuss the merit and demerits of direct and indirect tax. (07)

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