

SARDAR PATEL UNIVERSITY  
B.B.A (Honours) (ITM) – (4 Year) SEM-II EXAMINATION  
MACRO ECONOMICS  
UM02CBB105

Date: 05-04-2018, Thursday  
Time: 02: P.M. to 04:00 P.M.

Total Marks: 60

Q. 1 Define the circular flow of National Income and explain various [15]  
difficulties in measuring National Income.

OR

Q. 1 Discuss the features, merits and demerits of Capitalist and Socialist [15]  
Economic system

Q. 2 What is Consumption function? Explain various factors affecting [15]  
consumption function.

OR

Q. 2 Explain in detail Keynes Liquidity Preference Theory of Interest. [15]

Q. 3 Explain the functions of Commercial Bank with special emphasis on [15]  
Credit Creation Function.

OR

Q. 3 (A) What are the Functions of Money? [08]

(B) Write a short note on Balance of payment. [07]

Q. 4 What is Inflation? Explain various causes and effects of Inflation. [15]

OR

Q. 4 What are the Merits and Demerits of Direct Tax and Indirect Taxes? [15]

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