SARDAR PATEL UNIVERSITY
FYBBA (FT) (IInd Sem.)(Regular) EXAMINATION
Tuesday, 17th April, 2012
11.00 am to 1.00 pm
UM02CBBF03 : Macro Economics

Total Marks : 60

Note :   (i)   Draw diagrams and cite examples wherever necessary.
            (ii) Figures to the right indicate full marks.

Q.1
 (a) Explain the principle of Effective Demand with the help of Aggregate   (8)
      Demand Price and Aggregate Supply Price.
 (b) Discuss the consumption function with the help of schedule and   (7)
      diagrame.

OR

Q.1
 (a) Discuss the concept of Investment Multiplier with the help of an   (8)
      example and diagram.
 (b) Explain the concepts of Average Propensity to consume, Marginal   (7)
      Propensity to consume, Average Propensity to save and Marginal
      Propensity to save.

Q.2 List out the difficulties encountered in measurement of National   (15)
     Income.

OR

Q.2
 (a) Explain the concept of GNP, GDP, NDP and NNP.   (8)
 (b) Discuss various methods of measuring National Income.   (7)

Q.3
 (a) Discuss the comparative Cost Advantage Theory of International   (8)
      Trade.
 (b) Discuss the concept of Foreign Trade Multiplier in detail.   (7)

OR

Q.3
 (a) What is disequilibrium in Balance of Payments ? Discuss the causes   (8)
      of disequilibrium in Balance of Payments.
 (b) Write note on - Exchange Rate.   (7)

Q.4 What is Direct tax ? Explain merits and demerits of Direct taxes.   (15)

OR

Q.4
 (a) What is Deficit Financing ? Discuss the safe limit of Deficit Financing.   (8)
 (b) Discuss the methods of debt - redemption.   (7)

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