

**SARDAR PATEL UNIVERSITY**  
**FY BBA (ISM) (NC) (SECOND SEMESTER) EXAMINATION**  
**2012**  
**Friday, 20<sup>th</sup> April**  
**11:00 am - 1:00 pm**  
**UM02EBBS04 - MACRO ECONOMICS**

**Total Marks: 60**

Q.1

- (a) What are the different types of Economic System? Explain. [08]  
 (b) Write a note on: [07]  
 1. NNP at factor cost  
 2. Disposable Income

**OR**

Q.1

- (a) What is National Income ? Explain various difficulties occur in calculating of National Income. [08]  
 (b) Explain Central Problems of Economy. [07]

Q.2

- (a) Discuss Keynes Psychological Law of Consumption. [08]  
 (b) What do you mean by the acceleration principle ? Explain its working. [07]

**OR**

Q.2

- (a) What is interest ? Explain Keynes's Liquidity preference theory of interest. [08]  
 (b) What is Investment Multiplier ? Explain Leakages of Multiplier. [07]

Q.3

- (a) Discuss the quantitative and qualitative instruments use in monetary policy of Central Bank. [08]  
 (b) Discuss the remedies to reduce disequilibrium in the balance of Payments. [07]

**OR**

Q.3

- (a) Explain the Comparative Cost theory of international trade. [08]  
 (b) Explain various functions of commercial banks. [07]

Q.4

- (a) What is Inflation ? Explain the causes of Inflation. [08]  
 (b) Write note on: Safe limits of deficit financing. [07]

**OR**

Q.4

- (a) What is Public Debt ? Explain the methods of debt repayment. [08]  
 (b) Write note on: Philips Curve [07]

