

SARDAR PATEL UNIVERSITY
BBA (ISM) (II Sem.) Examination
2013
Tuesday, 26th March
3 – 5 pm
UM02EBBS04 – Macro Economics

Total Marks: 60

Note: Figures to the right indicate full marks.

Q.1

- (A) Explain NNP at market price and NNP at factor cost. [07]
 (B) Distinguish personal income and disposable income. [08]

OR

Q.1

- (A) Explain the concept of Capitalism and Mixed Economy. [07]
 (B) Discuss the central problems of an Economy. [08]

Q.2

- (A) What is Investment multiplier? Explain the working of Investment multiplier. [07]
 (B) What is Interest? Explain Liquidity Preference Theory of interest. [08]

OR

Q.2

- (A) Explain the theory of Income and Employment given by Keynes. [07]
 (B) Explain Milton Friedman's Quantity Theory of Money. [08]

OR

Q.3

- (A) Explain the process of Credit Creation as major function of commercial bank. [07]
 (B) Explain the theory of comparative cost. [08]

OR

Q.3

- (A) What is money? Explain the main components of money supply. [07]
 (B) Discuss the remedies to reduce disequilibrium in the balance of payments. [08]

Q.4

- (A) What is Inflation? Discuss the measures to combat inflation. [07]
 (B) Explain the stages of a business cycle. [08]

OR

Q.4

- (A) What is tax? Distinguish Direct tax and Indirect tax. [07]
 (B) Write short note on: [08]
 (a) Public Debt
 (b) Safe limits

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