(Jl)

SADAR PATEL UNIVERSITY
VALLABH VIDYANAGAR – 388 120
BBA (II Semester) Examination
UM02CBBA05 – Macro Economics
Monday, 24 February 2014; 2.30 – 4.30 pm

Total Marks: 60

Note: Figures to the right indicate marks.
  Draw Diagrams and cite examples wherever necessary.
  All the questions are compulsory.

Q.1 Explain the concept of circular flow of national income with the help of five
  sector model. **(15)**
OR
Q.1 Examine the features, advantages and disadvantages of Capitalism and
  Socialism. **(15)**

Q.2 A) What is Multiplier? Enlist the leakages of Multiplier. **(10)**
  B) Write a note on the concept of Accelerator. **(05)**
OR
Q.2 A) What is consumption function? What are the factors affecting it? **(10)**
  B) Write a note on Liquidity trap. **(05)**

Q.3 Explain Ricardian theory of Comparative Cost Advantage of international trade
  in detail. **(15)**
OR
Q.3 A) What are the Quantitative Methods of Credit control of Monetary Policy of **(10)**
  Central Bank.
  B) Write a note on components of money. **(05)**

Q.4 Define Business Cycle and explain the various phases of Business Cycle. **(15)**
OR
Q.4 A) What are the methods of debt repayment? **(15)**
  B) Discuss the causes of increase in public debt.

✳ ✳ ✳