SARDAR PATEL UNIVERSITY
BBA (FT) (II Sem.) Examination
Tuesday, 25 February 2014
2.30 - 4.30 pm
UM02CBBF03 Macro Economics

Total Marks 60

Note: (1) Draw diagram and cite examples wherever necessary.

(2) Figures to the right indicate full marks of the questions.

Q.-1: Define effective demand and discuss the principles of effective demand given by Prof Keynes. *(15)*

OR

Q.-1: (a) What is investment multiplier? Discuss it with the help of an example and diagram. *(08)*

(b) Explain the concept of Average Propensity to Consumer (APC), Marginal Propensity to Consumer (MPC), Average Propensity to Save (APS) and Marginal Propensity to Save (MPS). *(07)*

Q.-2: (a) Define the concept of GDP, NDP, GNP, NNP at market price and at factor price and per capita income. *(08)*

(b) Discuss the different methods of measurement of National Income. *(07)*

OR

Q.-2: Explain the various difficulties in the measurement of National Income. *(15)*

Q.-3: (a) Explain the comparative cost advantage theory of International trade given by Prof. David Recardo. *(08)*

(b) Write note on Exchange rate. *(07)*

OR

Q.-3: (a) Discuss the methods of correction of Balance of Payment. *(08)*

(b) Write note on Foreign Trade Multiplier. *(07)*

Q.-4: (a) Define deficit financing and discuss the safe limit for deficit financing in India. *(08)*

(b) Discuss the various methods of debt redemption. *(07)*

OR

Q.-4: Define Direct and Indirect taxes and give advantages and disadvantages of Direct and Indirect taxes. *(15)*

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