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SARDAR PATEL UNIVERSITY
BBA (II Semester) Examination
Friday, 21 February 2014
2.30 - 4.30 pm
UM02CBBS06 - Macro Economics

Total Marks: 60

Note: Figures to the right indicate full marks of the question.

- Q-1
(A) Explain the GNP and NNP concepts of National Income at market price and factor cost. (08)
(B) What is capitalism? Explain its main characteristics of capitalism. (07)
OR
- Q-1
(A) What is National Income? Explain various limitations in measuring national income. (08)
(B) Explain in detail the Basic Problems of economy. (07)
OR
- Q-2
(A) Explain working of Investment multiplier. (08)
(B) Discuss the Psychological law of consumption. (07)
OR
- Q-2
(A) What is Interest? Explain Keynes' liquidity preference theory of interest. (08)
(B) Explain the Keynesian theory of Income and Employment. (07)
- Q-3
(A) Discuss the quantitative and qualitative instruments of Monetary policy. (08)
(B) What is Money? Explain various components of money supply. (07)
OR
- Q-3
(A) Explain the theory of comparative cost. (08)
(B) How can the disequilibrium in balance of payment be corrected? Discuss. (07)
- Q-4
(A) Define: 'Direct Tax' and Indirect Tax'. Explain advantages and disadvantages of Direct Tax or Indirect Tax. (08)
(B) What is Inflation? Explain the causes of inflation. (07)
OR
- Q-4
(A) What is Business cycle? Explain various Phases of a Business cycle. (08)
(B) What do you understand by Safe limits of deficit financing? (07)