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Sardar Patel University  
Vallabh Vidyanagar  
Semester End Examination – March/April 2016  
FYBCOM (SEM 2)  
UB02CCOH03 – Macro Economics

Date: 1<sup>st</sup> April 2016  
Time: 2.30 pm to 4.30 pm

Total Marks: 60

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

- Q.1 A) What is Macro Economics? (07)  
B) Explain the concept of circular flow with the help of two sector model. (08)  
OR
- Q.1 Explain various types of economic systems. (15)
- Q.2 Explain functions and classification of money. (15)  
OR
- Q.2 A) Write note on Irving Fisher's Theory of Transaction. (07)  
B) Explain Milton Friedman's Restatement of the Quantity Theory of Money. (08)
- Q.3 A) What is Liquidity Trap? (07)  
B) What is consumption function? (08)  
OR
- Q.3 Discuss Keynesian theory of income and employment in detail. (15)
- Q.4 What is direct and indirect tax? Explain merits and demerits of direct and indirect taxes. (15)  
OR
- Q.4 Define inflation and explain the types and causes of inflation. (15)

$X \Rightarrow X = X$