[13]

SARDAR PATEL UNIVERSITY
BCOM HONOURS (SEMESTER-II)
MACRO ECONOMICS
UB02CCOH03
3rd April, 2018, Tuesday
10:00 a.m. to 12:00 noon

Total Marks - 60

Note:
1. Figures to the right indicate marks.
2. Cite illustrations and draw diagrams wherever necessary.

Que-1	(a)	What is Macro Economics? Discuss the merits and demerits of macro economics.	[08]
	(b)	Examine the Basic Problems of an economy.	[07]

OR

Que-1	(a)	Explain the Circular Flow of Income.	[08]
	(b)	Discuss the methods of calculating National Income.	[07]
Que-2		Discuss Milton Friedman's Restatement of Quantity Theory of Money.	[15]

OR

Que -2	(a)	What is money? Explain the functions of money.	[08]
	(b)	Discuss Fisher's Transactions Equation of Quantity Theory of Money.	[07]

Que-3		What is Consumption Function? Explain Keynes Psychological Law of Consumption Function.	[15]

OR

Que-3	(a)	Explain Keynes Liquidity Preference Theory of Interest.	[08]
	(b)	Write a note on Liquidity Trap.	[07]
Que-4		Define inflation. Explain the causes and effects of inflation.	[15]

OR

Que-4   Write notes on: (Any Two)   [7.5x2]
(a) Merits and demerits of direct taxes
(b) Debt Repayment
(c) Model of Business Cycle
(d) Safe limits of Deficit Financing

(1)