

Roll No. ....

## **BBA–304**

### **Macroeconomic Management**

(समष्टि आर्थिक प्रबन्ध)

Bachelor of Business Administration

(BBA-10/12/16/17)

Third Semester, Examination, 2018

**Time : 3 Hours**

**Max. Marks : 80**

**Note :** This paper is of **eighty (80)** marks containing **three (03)** Sections A, B and C. Attempt the questions contained in these Sections according to the detailed instructions given therein.

#### **Section–A**

##### **(Long Answer Type Questions)**

**Note :** Section ‘A’ contains four (04) long answer type questions of nineteen (19) marks each. Learners are required to answer *two* (02) questions only.

1. What do you mean by effective demand ? What are the determinants of effective demand ? Also explain the relationship between effective demand and output.
2. What is multiplier ? What is the relationship between marginal propensity to consume and multiplier ? Also explain the conditions required for working of multiplier analysis in the underdeveloped countries.

**(B-49) P. T. O.**

3. Discuss the main causes of inflation in India. What remedies do you suggest for its control ?
4. Explain the functions of Central Bank. Briefly write the development functions of Reserve Bank of India in this context.

### **Section-B**

#### **(Short Answer Type Questions)**

**Note :** Section 'B' contains eight (08) short answer type questions of eight (08) marks each. Learners are required to answer *four* (04) questions only.

1. Discuss the different components of GDP.
2. Macroeconomics is useful in managing business organisations. How ?
3. "Monetary policy accommodates fiscal expansion." Explain.
4. Explain the aggregate demand curve through the quantity theory of money.
5. Discuss the effect of expansionary fiscal policy in a large open economy.
6. Discuss the relationship between inflation and output in the short run and in the long run.
7. Discuss the concept of the multiplier.
8. What strategies should be adopted in different stages of trade cycles ?

### **Section-C**

#### **(Objective Type Questions)**

**Note :** Section 'C' contains ten (10) objective type questions of one (1) mark each. All the questions of this Section are compulsory.

1. Commercial banks are :
  - (a) Co-operative house

- (b) Operated on small scale
  - (c) Joint stock banks
  - (d) Run by the registrar of co-operative association
2. RBI started in which year ?
- (a) 1969
  - (b) 1949
  - (c) 1935
  - (d) 1980
3. The public debt is the total amount of :
- (a) Debt held by public
  - (b) Demand deposits held by banks
  - (c) Outstanding commercial loans
  - (d) Outstanding mortgages
  - (e) Government securities held by individuals, business, government agencies, and the federal reserve.
4. Deficit financing is most likely to be inflationary when the debt is purchased by :
- (a) The public
  - (b) Foreigners
  - (c) State government
  - (d) The fed
  - (e) Private banks

5. Which among the following is considered to be the most liquid assets ?
  - (a) Gold
  - (b) Money
  - (c) Land
  - (d) Treasury bonds
6. What is the Cash Reserve Ratio (CRR) ?
  - (a) The fraction of the deposits that commercial banks held to the customers
  - (b) The fraction of the deposits that RBI must keep with commercial banks
  - (c) The fraction of the deposits that commercial banks must keep with RBI
  - (d) None of the above
7. What is “Bank Rate” ?
  - (a) The rate at which commercial banks borrow money from RBI
  - (b) The rate at which commercial banks lend money to customers
  - (c) The rate at which commercial banks lend money to RBI
  - (d) None of the above
8. In planned economy, all decisions are taken by :
  - (a) Voters
  - (b) Workers
  - (c) Consumers
  - (d) Government

9. The study of inflation is a part of :
  - (a) Normative economics
  - (b) Macroeconomics
  - (c) Microeconomics
  - (d) Descriptive economics
10. The three approaches to measuring economic activity are the :
  - (a) Cost, income and expenditure approaches
  - (b) Product, income and expenditure approaches
  - (c) Consumer, business and government approaches
  - (d) Private, public and international approaches