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Roll no.

BBA-304

Macroeconomic Management

Bachelor of Business Administration

BBA-11/12/16/17/BBAH-11)

3rd Semester Examination 2019

Time : 3 Hrs

Maximum Marks : 80

Note : This paper is of Eighty (80) marks divided into 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 marks each. Learner are required to answer any two questions only.

(2 x 19 = 38)

1. What models are employed by economists for analytical purpose in macroeconomic theory? What are the limitations of macro-economics?
2. Explain the determination of National income through equality of saving and investment. Can this equilibrium be at less than full employment level. Discuss.
3. Discuss the main causes of inflation in India. What remedies do you suggest for its control?

4. Explain the process of creation of credit by a commercial bank. what are the limitations an their power to create credit?

Section – B

(Short- answer- type questions)

Note : Section 'B' contains eight short answer type questions of Eight marks each. Learner are required to answer any 04 questions only. (4 x 8 =32)

1. Why Reserve bank of India called banker's bank.
2. Write notes on public expenditure.
3. Write short notes on monetary policy.
4. What do you understand by macroeconomic. Distinguish it from micro-economic in short.
5. What are the various functions of money?
6. Define investment multiplier.
7. Discuss the different components of G.D.P.
8. Enumerate the factors for rising public expenditure in India.

Section –C

(Objective-type questions)

Note : Section 'C' contains ten objective type questions of one (01) mark each. All questions of this section are compulsory. (10 x 1 = 10)

Indicate whether the following are True (T) or Falsh (F) :

1. Monetary policy is ineffective in both fixed and flexible exchange rate environment since domestic rate of interest cannot move away the world rate.
2. An increase in the saving rate always increase consumption per worker.
3. An increase in the rate of interest should increase the inventory sales ratio.
4. A decrease in the real rate of interest decrease the user cost of capital and increases the desired stock of capital.
5. An increase in real GDP indicates that there is an increase in the meterial will-being of all individuals in an economy.
6. Keyneoian model assumes that prices and wages do not adjust immidiately to a change in aggregate supply and or aggregate demand.

Select the correct answere

7. Macro economics is concerned with-
 - a) The level of output of goods and services.
 - b) The general level of prices.
 - c)The growth of real output
 - d) All the above.

8. Commercial banks are;
- a) Co-operative house
 - b) Operated on small scale
 - c) Joint stock banks
 - d) Run by the registrar of co-operative society
9. RBI started in which year
- a) 1969
 - b) 1949
 - c) 1935
 - d) 1980
10. Which among the following is considered to be the most liquid assets?
- a) Gold
 - b) Treasury bonds
 - c) Land
 - d) Money
