



BBC-1603

Seat No. _____

B. B. A. (Sem. - II) Examination

April/May - 2014

Macro Economics

(Core Course)

Time : 3 Hours]

[Total Marks : 70

Instructions : (1) Draw the diagram whenever necessary.
(2) Figures to the right side indicate Marks.

1 (a) Explain significance of national income 4
(b) Define money and explain the Functions of money. 7

2 (a) Explain: Difficulties in measurement of national income. 7
(b) Explain the Consumption function. 5

OR

2 (a) Discuss the methods of measurement of national income. 7
(b) Explain the circular flow of income in economy. 5

3 (a) Explain the average propensity to consume and save. 5
(b) Discuss the Phillips curve. 4
(c) Discuss the investment multiplier. 3

OR

3 (a) Give the difference between inflation and Deflation. 5
(b) Give the difference between GDP and GNP. 4
(c) Define: Per capita income and disposable income. 3

- 4 Define business cycle and explain characteristics of business cycle and its phases. 11
- 5 (a) Explain the process of credit creation and weapons of credit control. 7
(b) Discuss Liquidity preference theory and its motives. 5
- OR**
- 5 (a) Explain the functions of commercial banks. 7
(b) Explain the components of money supply. 5
- 6 (a) Explain the Loanable fund theory of interest rate. 6
(b) Discuss the cash balance theory of money. 6
- OR**
- 6 (a) Discuss the Fisher's quantity theory of money. 6
(b) Explain the functions of central bank. 6
-