

B503

B.B.A. EXAMINATION, 2020

(Second Semester)

(Main & Re-appear)

(BBA)

BBA106B/MBAD106

MACRO ECONOMICS FOR ANALYSIS AND POLICY

Time : 3 Hours]

[Maximum Marks : 75

Before answering the question-paper candidates should ensure that they have been supplied to correct and complete question-paper. No complaint, in this regard, will be entertained after the examination.

Note : Attempt *Five* questions in all, selecting *one* question from each Unit. All questions carry equal marks. Part A will be compulsory.

Part A

5×3=15

1. (i) Discuss the various causes of Boom and recession in business cycle.
(ii) Discuss the wealth effect of debt-financing.
(iii) Distinguish between the regressive, progressive and propositional tax system.
(iv) Bring out the limitations of multiplier.
(v) Discuss the main causes of rapid growth of public expenditure.

Part B

Unit I

2. What do you understand by the circular flow of income ? Explain with the help of two-sector model. **15**

3. Define National Income. What are the different methods of measuring national income of a country ? **15**

Unit II

4. Define IS curve. What are the factors that determine the slope of IS curve ? **15**
5. Examine the basic assumptions and characteristics of Keynesian theory of Income and Employment. **15**

Unit III

6. Discuss the various canons of Taxation. What are the modern views on a good taxation system ? **15**
7. What is meant by Fiscal Policy ? How can fiscal policy help in stabilization ? **15**

Unit IV

8. Explain the role of monetary policy in the economic development of a country. **15**
9. Explain the process of creation of credit by Commercial Banks. What are the limitations on the credit creating power of banks ? **15**