

END SEMESTER EXAMINATION, MAY - 2026**B. B. A. Semester – II Paper Code : 551212****Subject Name: Macro Economics****Subject Code: BBA205****Time allotted: 03 Hours****Max. Marks: 100****Note: Read all the instructions carefully.****Q.1. True / False. Attempt all.****(10×2=20)**

a.	Define macroeconomics.	CO1
b.	What is meant by national income?	CO1
c.	State any one component of aggregate demand.	CO1
d.	Fill in the blank: GDP at market price = NDP at market price + _____.	CO1
e.	What is the value of MPC if people spend ₹80 out of an additional income of ₹100?	CO1
f.	True or False: Cost-push inflation arises due to rise in production cost.	CO2
g.	What is unemployment?	CO2
h.	Name the bank which controls monetary policy in India.	CO2
i.	What is the formula of investment multiplier?	CO2
j.	Define fiscal policy	CO2

Q.2. Short notes / Short Answer Type (Attempt any five out of Seven)**(5×4=20)**

a.	Differentiate between microeconomics and macroeconomics.	CO3
b.	Explain circular flow of income in a two-sector economy.	CO3
c.	Write a short note on GDP and GNP.	CO3
d.	Explain autonomous and induced investment.	CO3
e.	State any four causes of inflation.	CO4
f.	Explain the concept of business cycle.	CO4
g.	What is money multiplier? Write its significance.	CO4

Q.3. Structured Question (Attempt any three out of four)**(3×10=30)**

a.	(i) Explain aggregate demand and aggregate supply. (ii) Distinguish between nominal GDP and real GDP. (iii) State any two limitations of national income measurement.	CO5
b.	(i) If consumption function is $C = 100 + 0.75Y$, find consumption when income is ₹800. (ii) If $MPC = 0.8$, calculate the multiplier. (iii) Explain the meaning of underemployment equilibrium.	CO5
c.	(i) Explain demand-pull inflation with a simple example. (ii) Differentiate between frictional and cyclical unemployment. (iii) State any two measures to control inflation.	CO5
d.	(i) What is fiscal deficit? (ii) Explain any two instruments of monetary policy. (iii) State any two features of underdeveloped economies.	CO5

Q.4. Long Answer / Essay type (Attempt any two out of three)**(2×15=30)**

a.	(i) Explain the concept and methods of measuring national income. (7) (ii) From the following data, calculate National Income by income method: Compensation of employees ₹600 crore, Rent ₹120 crore, Interest ₹90 crore, Profit ₹140 crore, Mixed income ₹50 crore, Net factor income from abroad = -₹10 crore, Depreciation ₹40 crore, Net indirect taxes ₹60 crore. (8)	CO6
b.	(i) Explain Keynesian theory of income determination. (7) (ii) Assume autonomous investment = ₹200 crore and $MPC = 0.75$. Calculate the multiplier and change in income. (8)	CO6
c.	(i) Discuss inflation: meaning, types, causes and effects. (7) (ii) Explain Phillips curve and its policy relevance in brief. (8)	CO6
