

Question Paper Code : 4187

M.A. (Semester-II) Examination, 2018

BUSINESS ECONOMICS

[MBE-201]

(MACRO ECONOMIC ANALYSIS)

Time : Three Hours]

[Maximum Marks : 70

Note : Answer **five** questions in all. Question **No.1** is **compulsory**. Besides this, **one** question is to be attempted from each Unit.

1. Write short answer on the following : [3x10=30]

- (a) Difference between GDP and GNP.
- (b) Government and foreign sector in National income Accounts.
- (c) Keynes's absolute income hypothesis.
- (d) Interest investment relationship.
- (e) Determinants of supply of money.
- (f) Demand push inflation.

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(1)

[P.T.O.]

(g) Trade cycle.

(h) Distinguish between M_1 , M_2 , M_3 and M_4 .

(i) Marginal propensity to consume.

(j) Say's Law

UNIT-I

2. What do you understand by circular flow of income. Also discuss the methods of measurement of income. [10]

3. Keynes's theory of employment is an improvement over the neo-classical theory of employment. Discuss. [10]

UNIT-II

4. What do you understand by consumption function. Analyse permanent income hypothesis. [10]

5. Write notes on the following : [10]

(a) Multiplier

(b) Liquidity preference theory of Demand for Money.

UNIT-III

6. Discuss derivation of IS and LM Curve. [10]

7. Phillips curve captures the relationship between inflation and employment. Discuss. Also bring out the role of expectations. [10]

UNIT-IV

8. Equilibrium between $G_a = G_n = G_w$ is a fragile equilibrium. Discuss in the backdrop of Harrod's knife edge problem. [10]

9. Col Web theorem captures the essence of fluctuation in the agricultural sector. Discuss. [10]

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