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Roll No.

B-152

B.B.A. EXAMINATION, May 2018

(Second Semester)

(Re-appear Only)

(BBA)

BBA104

MACROECONOMIC ANALYSIS AND
POLICY

Time : 3 Hours]

[Maximum Marks : 70

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 at least *one* question from each Unit. All questions carry equal marks.

Unit I

1. Why does aggregate demand curve slopes downward ? Show the effects of an increase in nominal money stock on aggregate demand curve.
2. How does the addition of Government in a two sector economy affect circular flow of income ? If Government's budget is deficit, how will it affect circular flow of income ?

Unit II

3. Explain Keynes's income-expenditure to the determination of national income. Why can this equilibrium be reached below full-employed level of output ?
4. Distinguish between static multiplier and dynamic multiplier. Explain these two with the help of appropriate graph.

Unit III

5. How the management of public debt is done ? What are the basic issues in the fiscal deficit management ?
6. In an inflationary situation, the task of fiscal policy is to close the inflationary gap by reducing government expenditure or raising taxes. Discuss.

Unit IV

7. Explain the role of monetary policy in promoting saving and investment in the economy.
8. Explain the concept of money supply. What are the factors responsible for the rapid increase in money supply ?