

BBA/M-16  
Managerial Economics  
PAPER-BBA-110

Time Allowed: 3 Hours

Maximum Marks: 80

Note: Attempt five questions in all. Question No. 1 is compulsory. All questions carry equal marks.

**1. Compulsory Question**

- (i) What is Fiscal policy ?
  - (ii) What are Open market operations ?
  - (iii) What is Disposable Income of the consumer?
  - (iv) What is Multiplier ?
  - (v) What is Autonomous investment ?
  - (vi) What is Marginal efficiency of capital ?
2. Distinguish between Real and Monetary circular flow. Explain circular flow of economic activities in an open economy.
  3. Explain briefly the main concepts of National income. How are these inter-related?
  4. Critically explain how are income and employment determined according Keynesian theory.
  5. Explain the weaknesses of Absolute Income hypothesis. How can these weaknesses be removed by Relative Income hypothesis ?
  6. "Investment and saving are always equal, they are not always in equilibrium." Discuss.
  7. Explain the modern approaches to demand for money.
  8. What are the causes of Inflation ? Suggest measures to correct it.

