



BRAINWARE UNIVERSITY

Course – BBA

Macroeconomics for Business (BBA202/BBAC202)

(Semester – 2)

Time allotted: 3 Hours

Full Marks: 70

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group –A

(Multiple Choice Type Question)

10 x 1 = 10

1. *Choose the correct alternative from the following*

(i) The Second Five Year Plan was based on

- | | |
|-------------------------|-----------------------------|
| a. Harrod-Domar Model | b. Nehru-Mahalanobish Model |
| c. Harris-Todarro Model | d. La Hospital's Model |

(ii) Investment and rate of interest are

- | | |
|-----------------------|---------------------|
| a. Positively related | b. Linearly related |
| c. Negatively related | d. Zero relation |

(iii) When $G=T$ then the budget is called

- | | |
|-------------------|--------------------|
| a. deficit budget | b. balanced budget |
| c. surplus budget | d. None of these |

(iv) OPEC is an organization of Petroleum Importing Countries of

- | | |
|----------------|-------------------|
| a. South East | b. Western Europe |
| c. Middle East | d. West Africa |

(v) Indian Economy after the 1990's was following the policy of

- | | |
|------------------------|------------------------|
| a. Export Substitution | b. Import Promotion |
| c. Export Promotion | d. Import Substitution |

- (vi) The AD(Aggregate Demand) curve is derived from the
- a. labour market or factor market
 - b. commodity market
 - c. money market.
 - d. Both b and c
- (vii) The rate at which RBI borrows money from commercial bank is known as the
- a. Repo Rate
 - b. Market rate of Interest
 - c. Inflation rate.
 - d. Reverse Repo rate
- (viii) Who is the chairperson of NITI Ayyog
- a.Home Minister
 - b.Finance Minister
 - c.Prime Minister
 - d.Chief Minister
- (ix) When $G < T$ then the budget is called
- a. deficit budget
 - b. balanced budget
 - c. surplus budget
 - d. None of these
- (x) The distortion in the demand side that leads to the rise in the general price level is known as
- a. Inflexion
 - b. Demand Pull Inflation
 - c. Cost Push Inflation
 - d. None of these

Group – B

(Short Answer Type Questions)

3 x 5 = 15

Answer any *three* from the following

- 2. Comment on the Classical School of Thought [5]
- 3. NITI AYYOG is a think tank of the Government of India. Mention the functions played by this body. [5]
- 4. State the signals that are noticed in the economy before the demand starts contracting and recession starts progressing. [5]
- 5. Describe in detail the role of the public, commercial bank and the central. [5]
- 6. Define GDP. [5]

Group – C

(Long Answer Type Questions)

3 x 15 = 45

Answer any *three* from the following

7. (a) Labour Unions or Trade Unions are often held responsible for hike in the wages of its members even in the absence of any excess demand in the market. This move causes a shock in the economy. Explain [8]
- (b) What do you understand by recessionary gap? In your own words give diagrammatic explanation about how the rise in wage rate leads to the change in the position of equilibrium. [7]
8. (a) Explain the Value Added Method of National Income Accounting. [8]
- (b) Explain the Keynesian Savings Function Find C if $S = -100 + .45Y$ Derive the Savings function and represent it graphically. Comment on the economic status of the country. [7]
9. (a) Critically discuss the various stages of the business cycle. [8]
- (b) Write a short note on The Great Depression of 1930's. [7]
10. (a) Industrial Development is at the cost of Pollution. Explain [6]
- (b) Discuss the liquidity trap. [5]
- (c) What are the prime causes that leads to Industrial Sickness? [4]
11. (a) Define Inflation. [2]
- (b) Mention its Types. [2]
- (c) Explain the various stages of Inflation. [6]
- (d) Diagrammatically explain the long run and short run adjustment. [5]