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B.B.A. (Third Semester) EXAMINATION, 2016
BUSINESS ECONOMICS
(Macro)
(2013 PATTERN)

Time : Three Hours

Maximum Marks : 80

N.B. :— (i) All questions are compulsory.

(ii) Figures to the right indicate full marks.

(iii) Draw neat and well labelled diagrams wherever necessary.

1. Discuss the scope of macroeconomics. What are the limitations of macroeconomic analysis ? [15]

Or

Explain the product and expenditure methods of computing national income. On what basis do they give identical results ? [15]

2. “The intersection of aggregate demand and aggregate supply functions determines the equilibrium level of output and employment.” Discuss. [15]

Or

What is autonomous investment and induced investment ? What are the determinants of induced investment ? [15]

3. Describe the process of credit creation by commercial banks. [15]

Or

Give the meaning, phases and features of business cycles. [15]

P.T.O.

4. Explain the principal instruments of monetary policy. What are their limitations ? [15]

Or

Discuss the causes of inflation. How can it be controlled ? [15]

5. Write short notes on any *four* : [20]

- (a) Difference between GDP and GNP
- (b) Say's Law of markets
- (c) Average and Marginal propensity of Consume
- (d) Deflation
- (e) Supply side economics
- (f) Fiscal policy.