

P P SAVANI UNIVERSITY

Fifth Semester B.A Examination

November 2022

SLEC2100 Macro Economics

25.11.2022, Friday

Time: 09:00 a.m. To 11:30 a.m.

Maximum Marks: 60

Instructions:

1. The question paper comprises of two sections.
2. Section I and II must be attempted in same answer sheets.
3. Make suitable assumptions and draw neat figures wherever required.

SECTION - I

		CO	BLT
Q - 1	Answer the Following: (Answer to any 5 MCQ)	[05]	
(i)	Marginal Propensity to consume is _____. A) Increase in consumption due to one unit increase in income. B) Total Consumption divided by total income C) None D) Both a and b	1	2
(ii)	Which of the following is true for consumption? A) Total spendings made by the households at a given level of income B) Functional relationship between consumption and level of income C) Both a and b D) None	2	1
(iii)	Which of the following is true for Savings? A) The income remaining from the household sector after all consumption has taken place. B) Functional relationship between savings and level of income C) both a and b D) None	2	1
(iv)	Multiplier is _____ related to MPC. A) Directly B) Negatively C) Inversely D) None	3	3
(v)	Which statement is correct for nominal GDP? A) Nominal GDP is calculated based on current prices. B) Nominal GDP is calculated based on the base prices. C) Data on Nominal GDP shows an accurate picture of the economy as compared to real GDP. D) ALL	3	4
(vi)	Which of the following is the employment theory related to? A) Macro Economics B) Static Economics C) Static Economics D) None	2	5
(vii)	Which of the following is a method to measure National Income? A) Percentage Method B) None C) Income Method D) both A and C	1	2
Q - 2 (a)	What do you Understand by scope of Macro Economics?	[05]	3 2
Q - 2 (b)	Evaluate National Income?	[05]	1 5
OR			
Q - 2 (a)	Explain in brief methods of calculating National Income?	[05]	2 2
Q - 2 (b)	Evaluate Difference between MPS and MPC ?	[05]	1 5
Q - 3 (a)	What do you understand by multiplier?	[05]	3 2
Q - 3 (b)	Explain various determinants of Income and employment?	[05]	2 2

OR

Q - 3 (a)	Explain the Inflation, and discuss its types?	[05]	2	2
Q - 3 (b)	Short Note on Issues of National Income?	[05]	2	3
Q - 4	Attempt any One Question (Short Note Question)	[05]		
(i)	Evaluate Two sector flow of National Income?		1	5
(ii)	What do you understand by Macro Economics?		3	2

SECTION - II

Q - 1	Answer the Following: (Answer to Any 5 MCQ)	[05]	<u>CO</u>	<u>BLT</u>
(i)	Economic Development is related to _____ A) Unit Development B) Growth C) Income D) Supply		1	2
(ii)	Economic Growth is related to _____ A) Depression B) Stagflation C) GDP D) Income		2	1
(iii)	Business Cycles consist of _____ 1 Stage B) 2 Stage C) 3 Stages D) 4 Stage		2	1
(iv)	Deflation is related to _____ Decline in Income B) Rise in Demand C) Rise in Supply D) Rise in Employment		3	3
(v)	Stabilization policy is related to _____ Income B) Employment C) Related to Income and Employment D) None		3	4
(vi)	Monetary Policy is related to _____ A) Revenue B) Expenditure C) Demand D) RBI		2	5
(vii)	Fiscal Policy is related to _____ Govt and Expenditure B) Sector wise Unemployment C) Individual Unemployment D) None		1	2
Q - 2 (a)	Differentiate between Economic Growth and Development?	[05]	2	4
Q - 2 (b)	State the Importance and Limitation of Economic Growth?	[05]	1	2

OR

Q - 2 (a)	What is Economic Stability and Instrument?	[05]	2	1
Q - 2 (b)	Expalin the Importance of Direct Control?	[05]	1	2
Q - 3 (a)	Explain Business Cycles and its Features?	[05]	1	2
Q - 3 (b)	What is the role of Fiscal Policy in Economy?	[05]	2	3

OR

Q - 3 (a)	Why do Monetary Policy is important for RBI?	[05]	3	2
Q - 3 (b)	Explain the importance of GDP Deflator?	[05]	2	2
Q - 4	Attempt any One Question (Short Note Question)			
(i)	What do you understand by the Inflation and Deflation in Economy?	[05]	1	2
(ii)	Analyze the role of Macro Economic Ratios and Index Numbers?	[05]	2	4

CO : Course Outcome Number

BTL : Blooms Taxonomy Level

Level of Bloom's Revised Taxonomy in Assessment

1: Remember	2: Understand	3: Apply
4: Analyze	5: Evaluate	6: Create