

**B.B.A. SEM – II (2015 CBCS Course) : SUMMER - 2019**  
**SUBJECT: BUSINESS ECONOMICS (MACRO)**

Day: Tuesday  
Date: 30/04/2019

**S-2019-1950**

Time: 10.00 AM TO 01.00 PM  
Max. Marks: 100

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**N.B.:**

- 1) Answer ANY FOUR questions from Section I. Each question carries 15 Marks.
  - 2) Answer ANY TWO questions from Section II. Each question carries 20 Marks.
  - 3) Answers to Both the sections to be written in SAME answer books.
  - 4) Draw a labeled diagram WHEREVER necessary.
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**SECTION - I**

Q.1) Answer the following: (15 Marks X 1 = 15 Marks)

Distinguish between Microeconomics and Macroeconomics. Indicate the importance of Macroeconomics in business decision making.

Q.2) Answer the following: (15 Marks X 1 = 15 Marks)

Describe different concepts of National Income.

Q.3) Answer the following: (15 Marks X 1 = 15 Marks)

What did the classical economists favour: government interference or a free market economy? Comment.

Q.4) Answer the following: (15 Marks X 1 = 15 Marks)

Explain the concept of APS and APC. How are these ratios related?

Q.5) Write short notes on the following: Attempt ANY THREE (5 Marks X 3 = 15 Marks)

- a) Distinguish between :NDP & NNP
- b) Aggregate demand and its relationship with level of employment
- c) Marginal Efficiency of Investment
- d) Deficit financing

**SECTION - II**

Q.6) Answer the following: (20 Marks X 1 = 20 Marks)

Distinguish between Marginal Propensity to Consume and Average Propensity to Consume. Explain the factors that affect the Consumption Expenditure in an economy.

Q.7) Answer the following: (20 Marks X 1 = 20 Marks)

Explain the meaning and causes of 'Inflection' and 'Deflection'.

Q.8) Answer the following: (20 Marks X 1 = 20 Marks)

Explain the various instruments employed in 'Monetary Policy' and 'Fiscal Policy'.

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