

S.D.E.
B.B.A. (2006 COURSE) SEM- II : SUMMER - 2018
SUBJECT : APPLIED MACRO ECONOMICS

Day : **Wednesday**
Date : **30/05/2018**

S-2018-4290

Time **10.00 AM TO 1.00 PM**
Max. Marks : 80

N.B.

- 1) Answer any **FIVE** questions from Section – I . Each question carries **10** marks.
- 2) Answer any **TWO** questions from Section – II . Each question carries **15** marks.
- 3) Answers to both the sections should be written in the **SEPARATE** answer books

SECTION – I

- Q.1** Define macroeconomics. Describe its nature and scope.
- Q.2** Show and explain the circular flow of national income in two sector model.
- Q.3** Define aggregate demand. Explain its components.
- Q.4** What do you mean by business cycle? Explain its stages.
- Q.5** Define money. Describe its functions in a modern economy.
- Q.6** How is exchange rate determined in open market? What factors make exchange rate fluctuate?
- Q.7** Write short notes on any **TWO** of the following:
- a) Circular flow of income
 - b) Monetary policy
 - c) Balance of payments

SECTION – II

- Q.8** Explain, in detail, the concept and working of investment multiplier.
- Q.9** Discuss the causes of unemployment and underemployment in developing countries like India. What policy measures would you suggest to solve the unemployment problem in these countries?
- Q.10** Under what economic conditions would you recommend deficit, surplus and balanced budgets? Explain the concept of fiscal deficit and deficit financing.

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