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BACHELOR OF BUSINESS ADMINISTRATION (B.B.A.)

EXAMINATION: MAY- 2024

SEMESTER - IV

Sub.: Macro Economics (BBA22-413)

Date : 17/05/2024

Total Marks : 60

Time: 2.00 pm to 4.30pm

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q. 1. Choose the most appropriate option. (05)

1. Which of the following event showcased the limitation of classical theory of output and employment?

a) World War 1	b) Great Depression of 1930
c) Freedom Struggle of India	d) Hitler Rule in Germany
2. Foreign Sector is the part of which circular flow of economy?

a) Two Sector	b) Three Sector
c) Multi Sector	d) Four Sector
3. Commercial banks work with the motive of.....

a) Lending	b) Service
c) Profit	d) Charity
4. Full employment means the

a) No record of a single vacancy	b) Absence of Involuntary Unemployment
c) Absence of Voluntary Unemployment	d) Absence of Unemployment
5. Hyper inflation carries the inflation rate in ...

a) Double Digit	b) Single Digit
c) 0 Digit	d) Minus Rate

Q. 2. State True / False (05)

1. Macroeconomics is the study of individual units.

a) True	b) False
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2. Non-Banking Financial Company does not issue cheques.

a) True	b) False
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3. Current account deficit includes higher imports than exports .

a) True	b) False
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4. Increase in income leads to proportionate increase of consumption .

a) True	b) False
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5. Central Bank of the country plays a role of adviser to the government.

a) True	b) False
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Q. 3. Write Short Notes on (Any Three) (15)

1. Limitations of Macroeconomics
2. Consumption Function
3. Primary Functions of Money
4. Inflation – Definition and types
5. Non-Banking Financial Intermediary

Q. 4. Answer in detail (Any Two) (20)

1. Explain in detail Classical and Keynesian approach of output and employment
2. Explain in detail Two- Three sector model of circular flow of income /economy
3. Explain the comparative advantage of trade with suitable table and example
4. Explain the concept, definitions of macroeconomics with its importance and scope

Q. 5. Case study (15)

Imagine a situation, where as a manager of multi-billion-dollar company, you want to set up your company's manufacturing unit in some other country. What kind of features you will look into that country's economic set up? Answer in following questions

Question

- 1) What set up you'll prefer classical way working of employment or Keynesian way of employment? Justify
 - 2) State your expectations regarding the role of central bank of that country, and its monetary policy structure
 - 3) Should country follow flexible or fixed exchange rate in its international trade? Give the reason of your answer
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