

Roll No. 2052612 .

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**B.B.A. 2nd Semester
(N.S.) 2014-17**

Examination-May, 2015

Macro Economic Analysis & Policy

Paper-BBAN-202

Time : 3 hours

Max. Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard will be entertained after the examination.

Note : Section-A is **compulsory**. Attempt **four** questions from Section-B, selecting at least **one** question from each unit. All questions carry equal marks.

Section-A

1. Briefly explain the following :

(a) Stock and flow

- (b) Nature of Macro Economics
- (c) APC and MPC
- (d) Cyclical consumption function
- (e) Fiscal policy
- (f) Types of public debt
- (g) Semi inflation and full inflation
- (h) Money supply

Section-B

Unit-I

2. Explain the circular flow of income in a four sector model.
3. Describe causes of booms and recessions.

Unit-II

4. Describe absolute and relative income consumption hypotheses.

5. How does multiplier work in forward and backward direction ? Describe the importance of multiplier.

Unit-III

6. Describe the fiscal tools to achieve growth and price stability.
7. Explain various factors affecting incidence of taxation.

Unit-IV

8. How do banks create credit ? Describe the limitations of banks in creating credit ?
9. Explain causes of inflation. Describe measures to control inflation.