BBA 1st Semester Exam., 2021

MACROECONOMICS

Time : 3 hours   *Full Marks* : 60

Instructions :

(i) *The marks are indicated in the right-hand margin.*

(ii) *There are **SEVEN** questions in this paper.*

(iii) *Attempt **FIVE** questions in all.*

(iv) *Question Nos. **1** and **2** are compulsory.*

1. Write True or False of any *six* of the following :   2×6=12

   (a) Macrodynamics studies how the equilibrium in the economy is reached consequently upon changes in the microvariables.

   (b) Microeconomics uses the technique of partial equilibrium analysis while studying the aggregate price and output levels of communities.

   (c) A national income account does not include all types of goods and services for calculation.

   (d) There is no difference between 'net' and 'gross' concepts of national income.

   (e) Aggregate demand refers to the receipts which the entrepreneurs taken together expect from the sale of output.

   (f) Consumption function is an important determinant of effective demand.

   (g) In developing countries, marginal propensity to consume (MPC) is very high.

   (h) The autonomous investment depends more on population growth and technical progress than on the level of income.

   (i) All price rise is inflation.

   (j) Cost-push inflation occurs if the costs, particularly the wage costs, go on rising.

2. Answer any *three* of the following :   4×3=12

   (a) Explain microdynamics.

   (b) Define Gross Domestic Product (GDP).

   (c) What do you know by multiplier?

   (d) What is marginal efficiency of capital?

   (e) Explain aggregate supply.

3. Describe national income. What are different methods to measure national income accounts?   12

4. Distinguish between Gross National Product (GNP) and Gross Domestic Product (GDP). In what respect 'national' and 'domestic' concepts are distinguished?   12

5. Discuss permanent income theory of consumption.   12

6. Describe the relevance of multiplier to a developing economy.   12

7. What do you mean by inflation? Explain moderate, running and hyperinflation.   12

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