

**2023**

**BUSINESS ADMINISTRATION**

**Paper : BBAHC3056**

**( Macroeconomics )**

**Full Marks : 80**

**Pass Marks : 32**

**Time : 3 hours**

*The figures in the margin indicate full marks  
for the questions*

**1. Choose the correct option from the following :**

**1×6=6**

**(a) Which of the following is the correct meaning of national income?**

- (i) It is the aggregate money value of all goods and services produced in a country during one year**
- (ii) It is that income which is actually received by individuals or households in a country during the year**
- (iii) The income which is left behind after payment of personal direct taxes**
- (iv) It is a government book-keeping system that measures a country's economic activity offering**

- (b) Which of the following is defined as the study of individual units in an economy?
- (i) Microeconomics
  - (ii) Macroeconomics
  - (iii) Income and employment theory
  - (iv) None of the above
- (c) Which of the following is the method of measurement of national income?
- (i) Wages and salaries of the employees
  - (ii) Census of expenditure method
  - (iii) Income of non-company business
  - (iv) Rental incomes of person
- (d) Which of the following is the gross domestic product formula?
- (i)  $PI = NI - CIT - UCP - SSC + TP$
  - (ii)  $DPI = PI - PDT$
  - (iii)  $GDP \text{ (factor cost)} = NNI + D + NFFI$
  - (iv)  $GDP = CS + BI + GS + NEs$
- (e) Which of the following is the fiscal policy measure?
- (i) Pre-classical approach
  - (ii) Classical theory
  - (iii) Non-monetary policy
  - (iv) Government expenditure

- (f) Which of the following is the component of aggregate demand formula?
- (i)  $Y = C + I$
  - (ii)  $AD = C + I + G + (X - M)$
  - (iii)  $Y = C + I + G$
  - (iv)  $M = \frac{1}{1 - (MPC)}$
- (g) The full form of MPC is
- (i) Money Price of Consumer
  - (ii) Money Product to Consume
  - (iii) Marginal Propensity to Consume
  - (iv) Managerial Propensity to Consume
- (h) Which of the following is the function of money?
- (i) Open market operations
  - (ii) Cash reserve ratio
  - (iii) Credit rationing
  - (iv) A medium of exchange
- (i) The full form of QTM is
- (i) Quantity Theory of Money
  - (ii) Quantity Traditional of Money
  - (iii) Quantity Trade of Money
  - (iv) Quantity Trading of Money

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(j) Which of the following is the theory of trade cycles?

- (i) Fixed exchange rate
- (ii) Over-investment theory
- (iii) Managed floating exchange rate
- (iv) Flexible exchange rate

2. Answer any *five* of the following questions :  
 $2 \times 5 = 10$

- (a) What is meant by personal disposable income?
- (b) What is gross domestic product?
- (c) What are the two terms of monetary policy?
- (d) State any two different sectors of economy and different expenditure.
- (e) What do you mean by money?
- (f) What is inflation?
- (g) What is trade cycle?

3. Answer any *six* of the following questions :  
 $5 \times 6 = 30$

- (a) Explain the methods of measurement of national income.
- (b) Explain the Cambridge version of quantity theory of money.
- (c) Discuss fiscal policy in brief.

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(d) Discuss the tools of Keynesian theory.

(e) Explain the components of aggregate demand.

(f) Discuss the measurement or objectives of monetary policy.

(g) Discuss different types of multiplier.

(h) Explain the functions of money.

(i) Analyze the impact of trade on GDP.

(j) Briefly explain the determination of exchange rate.

4. Answer any *two* of the following questions :  
 $10 \times 2 = 20$

(a) Explain the phases of trade cycle with diagram. 10

(b) Describe classical theory of interest rate. Explain monetary policy in brief. 5+5=10

(c) Describe Keynesian theory of employment. 10

(d) Describe the following with formula :  
 $3+3+4=10$

(i) National income accounts

(ii) Personal income

(iii) Gross domestic product

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( Turn Over )

5. Explain any *one* of the following questions : 14

- (a) Define ISLM model. Explain various properties of ISLM curve.
- (b) Describe the theories of trade cycles and aggregate demand.
- (c) Explain various indicators and instruments of monetary control.

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