



Institute of Management
JK Lakshmipat University
Jaipur

END TERM EXAMINATION, 2018

MBA Sem II
MM: 50 Marks

Course: Macro Economic Theory
Time: 3 Hours
Subject code: EC08

Instructions: Attempt any three questions from Section A. Section B is compulsory.

Section A

Q1. What are the different phases of business cycles? What are the economic features of different phases of business cycle?

(4+6 marks)

Q2. Define inflation. How is inflation measured? What are the causes and type of inflation in India?

(2+4+4 marks)

Q3. Discuss the following:

- a) Exchange rate and impact of its fluctuation on economic growth of a country
- b) How did sub-prime crises in US affect the global economy?

(5+5 marks)

Q4. Discuss the following:

- a) What are the leakages of Multiplier
- b) International Monetary System

(5+5 marks)

Q5 Define Balance of Payment. What are the reasons of disequilibrium in BOP? Discuss Indian experience.

(10 marks)

Section B

Q6. Read the following:

Since the first half of the 1990s, when India started liberalising its economy, it started opening up most of the sectors for foreign direct investment. Export was given prime importance. Structural change in the economy was evident with the boom of the service sector. Consequently, GDP grew steadily, foreign investments increased and foreign exchange reserve was in a stable position. Economists predicted that by 2050, India would become the third largest economy in the world. However, although there was sharp improvement in economic performance, India faced a growth paradox. The contrast was evident as even basic amenities were not provided to a large proportion of its citizens. The benefits did not trickle down to the majority of the population. Crumbling infrastructure and social impoverishment were

becoming major obstacles for the future development of India. In such a contradictory situation, whether the Indian growth was sustainable or not was a question that needed to be answered.

1. Discuss the difference between growth and development in context of India.
2. Discuss the current trends of macroeconomic variables in India to answer the aforementioned issue.

(10 marks)

B) Write a short note on the following topic:

“Globalization versus Deglobalization”

(10 marks)