



Institute of Management
JK LakshmiPat University
Jaipur

END TERM EXAMINATION, Dec. 2019(Backlog)

BBA & B.Com Sem II
MM: 50 Marks

Course: Macro Economics
Time: 2 Hours
Subject code: EC04

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

Section A

Q1. How would you show your understanding for the following?

- 1) Withdrawals and Injections in circular flow of income in different model.
- 2) Different concepts of National Income

(10 marks)

Q2 Can you explain the following in brief?

- a) Features and evolution of money
- b) Difference between Fiat Money and Composite Money
- c) High Powered Money
- d) Liquidity Trap

(10 marks)

Q3. How would you explain the following?

- 1) Instruments of Monetary Policy in India
- 2) Fisher Equation of Quantity Theory of Money.

(10 marks)

Q4. Can you explain the following in brief?

- 1) Factors affecting Supply of Money
- 2) Merits and demerits of Flexible Exchange Rate

(10 marks)

Q5. What are the three motives of demand for money? Discuss the factors affecting demand for money.

(10 marks)

Section B

Q6. A) What do you mean by balance of payments? Explain the items consisting of the balance of payments of a country. What is the importance of balance of payments for a country like India.

(10 marks)

- B)
- 1) Find out multiplier when MPS is a) 0.4, b) 0.5, c) 0.8.
 - 2) Concept of value added method of GNP with the help of an example.

(6+4Marks)