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VVM's Shree Damodar College of Commerce & Economics, Margao-Goa
T.Y. BBA, Semester-V, Semester- End Assessment, October, 2019
(BFS C504) MACROECONOMICS

Duration: 3 hours

Total Marks: 60

Instructions:

- Start each question on fresh page.
- Figures to the right indicate maximum marks.
- All questions are compulsory, however internal choice is available.
- Answers to sub questions for Q.1 to Q.2 should be approximately 100 words each.
- Answers to sub questions for Q.3 to Q.5 should be approximately 400 words each.

Q.1. Answer any three of the following questions: (3x4=12 Marks)

- a) Distinguish between actual and potential GDP.
- b) What is aggregate expenditure?
- c) Differentiate between Net National Product and Gross National Product.
- d) Explain the concept of Average propensity to consume and Marginal propensity to consume.
- e) Explain the RBI measures of money supply

Q.2. Answer any three of the following questions: (3x4=12 Marks)

- a) Distinguish between a balanced and an unbalanced budget.
- b) What is Public debt?
- c) Explain any two sources of government revenue.
- d) What is stagflation?
- e) Explain the prosperity and recessionary phase in the business cycle.

Q.3. a) Explain the product method and expenditure method of calculating national income. (12 Marks)

OR

Q.3. b) Explain consumption function with the help of a neat diagram. (12 Marks)

Q.4. a) Explain the functions of money. (12 Marks)

OR

Q.4. b) Explain the classification of public expenditure. (12 Marks)

Q.5. a) Explain the 'Pure Monetary' theory of business cycle. (12 Marks)

OR

Q.5. b) Explain the Phillips curve with the help of a neat diagram. (12 Marks)