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NOIDA INSTITUTE OF ENGINEERING AND TECHNOLOGY, GREATER NOIDA

(An Autonomous Institute Affiliated to AKTU, Lucknow)

MBA (Integrated)

SEM: II - THEORY EXAMINATION (2023 - 2024)

Subject: Macro Economics

Time: 2.5 Hours

Max. Marks: 60

General Instructions:

IMP: Verify that you have received the question paper with the correct course, code, branch etc.

1. This Question paper comprises of **three Sections -A, B, & C**. It consists of Multiple Choice Questions (MCQ's) & Subjective type questions.
2. Maximum marks for each question are indicated on right -hand side of each question.
3. Illustrate your answers with neat sketches wherever necessary.
4. Assume suitable data if necessary.
5. Preferably, write the answers in sequential order.
6. No sheet should be left blank. Any written material after a blank sheet will not be evaluated/checked.

SECTION A

15

1. Attempt all parts:-

- | | | |
|------|---|---|
| 1-a. | A tax the burden of which can be shifted on to others, is called: (CO1) | 1 |
| | (a) Indirect tax | |
| | (b) Direct tax | |
| | (c) Wealth tax | |
| | (d) None of these | |
| 1-b. | The value of money in Fisher's equation is determined by (CO2) | 1 |
| | (a) Demand for money | |
| | (b) Demand and supply of money | |
| | (c) Supply of money | |
| | (d) None of these. | |
| 1-c. | Currency notes and coins are called as:(CO3) | 1 |
| | (a) Flat money | |
| | (b) Legal Tender | |
| | (c) Fiat money | |

- (d) Both Fiat money and Legal Tender
- 1-d. The MPC can be defined as that fraction of a: (CO4) 1
- (a) Change in income that is spent.
- (b) Given total income that is consumed.
- (c) Change in income that is not spent.
- (d) Given total income that is not consumed.
- 1-e. Fiscal deficit= (CO5) 1
- (a) Total expenditure- total receipts other than borrowing
- (b) Revenue expenditure- revenue receipts
- (c) Capital expenditure- capital receipts
- (d) Revenue expenditure+ capital expenditure- revenue receipts

2. Attempt all parts:-

- 2.a. Explain the interdependence of Production, Consumption and investment.(CO1) 2
- 2.b. Explain the concept of "Liquidity Trap". (CO2) 2
- 2.c. State the type of unemployment which is excluded while calculating unemployment rate & why? (CO3) 2
- 2.d. Diagrammatically explain the concept of induced investment. (CO4) 2
- 2.e. Write brief note on CRR. (CO5) 2

SECTION B

15

3. Answer any three of the following:-

- 3-a. Elaborate key Macro Economic Variables. (CO1) 5
- 3-b. Discuss the significance of Money in consumption. (CO2) 5
- 3.c. Elaborate on the open market operations done by the Central Bank. (CO3) 5
- 3.d. Distinguish between Autonomous investment and induced investment. (CO4) 5
- 3.e. Evaluate the objectives of Monetary Policy. (CO5) 5

SECTION C

30

4. Answer any one of the following:-

- 4-a. Define NNP, GNP, GDP and disposable income.(CO1) 6
- 4-b. Macro economics has a short term as well as long term impact on economic growth. Comment.(CO1) 6

5. Answer any one of the following:-

- 5-a. Analyze how supply of money depends upon high powered money and cash reserve ratio? (CO2) 6
- 5-b. Distinguish between demand deposits and time deposits. (CO2) 6
- 6. Answer any one of the following:-**
- 6-a. Evaluate the effect of inflation on creditors and debtors. (CO3) 6
- 6-b. Discuss the causes of inflation in India.(CO3) 6
- 7. Answer any one of the following:-**
- 7-a. Elaborate on Marginal Efficiency of Capital and its determinants. (CO4) 6
- 7-b. Suppose everyone expects investment to rise sharply in three months. How would this expectation be likely to affect bond prices? (CO4) 6
- 8. Answer any one of the following:-**
- 8-a. Elucidate on the causes that lead to Great Depression of 1930. (CO5) 6
- 8-b. Discuss how unemployment and National income are related to each other. (CO5) 6

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