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Total No. of Pages : 02

Total No. of Questions : 09

B.Sc. Business Economics (BBE) (2015 to 2017) (Sem.-4)

MACROECONOMICS-II

Subject Code : BBE-403

M.Code : 74371

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES:

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B consists of FOUR Sub-sections : Units-I, II, III & IV.
3. Each Sub-section contains TWO questions each, carrying TEN marks each.
4. Student has to attempt any ONE question from each Sub-section.

SECTION-A

1. Answer briefly :
 - a) Define aggregate demand.
 - b) Differentiate between money wage and real wage.
 - c) What is proportional tax system?
 - d) What are the main sources of public revenue?
 - e) Differentiate between capital market and money market.
 - f) Define open economy.
 - g) What are rational expectations?
 - h) What is subsidy?
 - i) What is nominal wage rigidity?
 - j) What are the causes of increasing public expenditure?

SECTION-B

UNIT-I

2. Explain the instruments of monetary policy used by the central bank.
3. Discuss the effect of shift in IS and LM curves on equilibrium GDP and rate of interest.

UNIT-II

4. Describe the rational expectations hypothesis. What are its implications?
5. Discuss the policy ineffectiveness proposition based on theory of rational expectations.

UNIT-III

6. What is financial market? Discuss the importance of financial markets.
7. Discuss the dynamic investment theory.

UNIT-IV

8. Explain Solow Swan Model of economic growth.
9. Discuss the properties of Ramsey Model.

NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.