

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA Integrated – SEMESTER – II - EXAMINATION – SUMMER 2022**

**Subject Code: 2527103****Date: 30/07/2022****Subject Name: Macro Economics****Time: 10:30 AM TO 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) Explain in detail circular flow of Income and Expenditure with the help of a flow chart? **07**  
(b) Define and explain National Income using different methods of measuring National income. **07**
- Q.2** (a) Explain the Principle of Effective Demand with the help of diagram. **07**  
(b) Explain briefly the Keynesian Theory of Demand for Money. **07**
- OR**
- (b) Explain with the help of diagrams the four sector model of income determination. **07**
- Q.3** (a) Define Money. Briefly explain the Irving Fisher's Quantity Theory of Money **07**  
(b) What do you mean by economic growth? Discuss the factors affecting economic growth in detail. **07**
- OR**
- Q.3** (a) What do you mean by Inflation? Explain different types of inflation **07**  
(b) What do you mean by a Business Cycle? Explain briefly with the help of diagram different phases of Business cycle **07**
- Q.4** (a) What do you mean by monetary policy? Explain in brief the quantitative measure used to control inflation. **07**  
(b) Explain the scope of fiscal policy in a developing economy. **07**
- OR**
- Q.4** (a) What is meant by fiscal policy? Discuss in detail the instruments of fiscal policy **07**  
(b) What do you mean selective credit control measures? Elucidate how the selective credit control measures are used to control inflation and deflation **07**
- Q.5** (a) What is Philips curve? Why does the short run Philips Curve slope downwards? **07**  
(b) Explain the limitations and effectiveness of monetary policy in a developing country like India **07**
- OR**
- Q.5** (a) Distinguish between: **07**  
a) Stock and flow variables  
b) Partial and general equilibrium  
c) NDP at Factor cost and GNP at Market Price  
(b) Explain the J.M. Keynes's life-cycle theory of consumption in short **07**

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