

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA INTEGRATED – SEMESTER - II EXAMINATION- SUMMER-2023

Subject Code: 2527103**Date: 15-07-2023****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.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

- Q.1** (a) Describe internal and external causes of business cycles? **07**
 (b) Explain the circular flow of income and expenditure in different sectors of economy, with the help of a diagram. **07**
- Q.2** (a) Discuss in detail about demand-pull inflation and wage-pull inflation. **07**
 (b) What are the parameters of National Income? How nominal GNP is different from real GNP? **07**
- OR**
- (b) What is the basic theme of the life cycle theory of consumption? Does this theory really hold in practice? **07**
- Q.3** (a) Explain the Harrod-Domar theory of economic growth. **07**
 (b) What is Philip's Curve? Describe the reasons behind the negative slope of the Philip Curve. **07**
- OR**
- Q.3** (a) Explain Say's Law of Market. Also mention its implication and limitation. **07**
 (b) Macroeconomics explains what is taken as given in microeconomics and vice versa. Discuss the validity of this statement. **07**
- Q.4** (a) Explain in detail Fisher's QTM (Quantity Theory of money). **07**
 (b) Neither under saving nor over saving is good for any economy. Discuss. **07**
- OR**
- Q.4** (a) Explain Keynesian theory of Income and Employment. **07**
 (b) Explain the Keynesian life-cycle theory of consumption in detail. **07**
- Q.5** (a) Define Monetary Policy. What is the scope of Monetary Policy? **07**
 (b) Describe in detail the instruments of Fiscal Policy and Target variables. **07**
- OR**
- Q.5** (a) Define Fiscal Policy. What is the scope of Fiscal Policy? **07**
 (b) Describe in detail the instruments of Monetary Policy. **07**
