

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA INTEGRATED-SEMESTER- II-EXAMINATION- SUMMER-2024
Subject Code: 2527103 **Date: 13/06/2024**
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) Explain the circular flow of income and expenditure in an open economy with the help of diagram 07
(b) Explain briefly various methods of measuring national income 07

- Q.2 (a) What is Equation of Exchange? Explain Fisher's Quantity Theory of Money with the help of diagram. 07
(b) Explain briefly the Classical theory of Employment and Income 07

OR

- (b) Explain the Principle of Effective Demand with the help of table and diagram 07

- Q.3 (a) Define Money and explain the functions of money 07
(b) Explain in detail the effects of inflation on different class of people 07

OR

- Q.3 (a) Define Business Cycle and explain the phases of business cycle in detail 07
(b) Define consumption function and explain the determinants of propensity to consume 07

- Q.4 (b) What is meant by economic growth? Discuss all the factors affecting economic growth in detail. 07
(b) Define unemployment and explain the types of unemployment 07

OR

- Q.4 (a) Explain the short run trade-off between inflation and unemployment with the help of Philips Curve 07
(b) Explain in detail the role of fiscal policy in a developing country 07

- Q.5 (a) Explain how the monetary instruments are used to control inflation 07
(b) Explain how the rate of inflation is measured with suitable example 07

OR

- Q.5 (a) Explain advantages and disadvantages of government expenditure as a measure to control economic fluctuations 07
(b) Distinguish between: 07
i) Micro economics and Macro economics
ii) Economic growth and economic development