

**GUJARAT TECHNOLOGICAL UNIVERSITY****MBA INTEGRATED - SEMESTER– II EXAMINATION – WINTER 2019****Subject Code: 2527103****Date: 16/11/2019****Subject Name: Macro Economics****Time: 02:30PM to 05:30PM****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) What do you mean by Macro economics? Explain origin and growth of macro economics in detail. **07**
- (b) Explain following terms: **07**
1. Stock variable
  2. Flow variable
  3. Equilibrium
  4. Static analysis
  5. GDP
  6. Disposable income
  7. Economics and Non Economic production
- Q.2** (a) Elaborate upon the implication and limitation of Say's law of market. **07**
- (b) Explain the different methods to measure national income. **07**
- OR**
- (b) Explain the circular flow of income and expenditure in different sectors of the economy. **07**
- Q.3** (a) Explain the classical theory of output and employment. **07**
- (b) Describe classical theory of inflation. How is neo-classical theory of inflation different from the classical theory? **07**
- OR**
- Q.3** (a) What are the functions of money? Explain the quantity theory of money. **07**
- (b) What is inflation? Explain demand pull and cost push inflation **07**
- Q.4** (a) Define unemployment. Explain different kinds of unemployment in detail. **07**
- (b) What is meant by business cycle? What are the different phases of business cycle? **07**
- OR**
- Q.4** (a) What do you mean by economic growth? Explain in detail neo-classical theory of growth. **07**
- (b) What is the basic theme of the life cycle theory of consumption? Does this theory really hold in practice? **07**
- Q.5** (a) What is Philips curve? Discuss the reasoning behind the negative slope of the Philip curve. **07**
- (b) What is monetary policy? Explain limitation and effectiveness of monetary policy. **07**
- OR**
- Q.5** (a) What monetary measures government can take to control inflation in the economy? **07**
- (b) Explain in detail important tools of fiscal policy. **07**

\*\*\*\*\*