

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA INTEGRATED/MAM-SEMESTER II -EXAMINATION- WINTER 2020****Subject Code: 2527103****Date:06/02/2021****Subject Name: MACRO ECONOMICS****Time: 02:00 PM to 4:00 PM****Total Marks: 47****Instructions:**

1. Attempt any **THREE** questions from Q1 to Q6.
2. Q7 is compulsory.
3. Make suitable assumptions wherever necessary.
4. Figures to the right indicate full marks.

- Q.1 (a) Macroeconomics explains what is taken as given in microeconomics and *vice versa*. Discuss the validity of this statement. 07
- (b) The supply of money is a monetary policy instrument. Examine the validity of this statement. 07
- Q.2 (a) Briefly explain macroeconomic variables? 07
- (b) Business cycle occur and recur but have no fixed periodicity. Explain. 07
- Q.3 (a) If a chicken is born, the per capita GDP goes up but if a child is born, the per capita GDP goes down. How? 07
- (b) What are the tools of the fiscal and monetary policy? When a particular policy is expansionary? 07
- Q.4 (a) National Income neither includes all the market transactions nor excludes all the non-market transactions in goods and services. Explain. 07
- (b) Fiscal deficit must be minimised, for it pre-empts future tax revenues. Explain. 07
- Q.5 (a) From the point of the employment generation at home, which national income concept is more relevant? Why? Explain that concept in detail. 07
- (b) Suppose your company has offices in Ahmedabad, Delhi and Mumbai, and you have the option of working in any one of these cities on the same emoluments. If your decision was based purely on economic consideration, which location you would chose and why? Discuss the limitations of your 07
- Q.6 (a) Explain Say's Law of Market? **OR** Explain Keynesian Theory of Income and Employment? 07
- (b) The country that would win the growth race in future would be the one that would achieve excellence in technical progress. Do you agree? Why or why not? 07
- Q.7 Neither under saving nor over saving is good for any economy. Discuss. 05
- OR**
- Q.7 Revenue deficit is worse than the fiscal deficit. Explain. 05
