

**GUJARAT TECHNOLOGICAL UNIVERSITY****MBA Integrated - SEMESTER– II EXAMINATION – WINTER 2021****Subject Code: 2527103****Date: 22/12/2021****Subject Name: Macro Economics****Time: 02:30 PM to 05:30 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 the circular flow of income and expenditure in different sectors of the economy. **07**  
(b) Difference between microeconomics and macroeconomics. **07**
- Q.2** (a) Describe macroeconomics? Explain importance & limitations of macroeconomics? **07**  
(b) Explain the different methods to measure national income. **07**
- OR**
- (b) Explain the classical theory of employment in detail, with the help of a figure **07**
- Q.3** (a) Explain the Keynesian life-cycle theory of consumption in detail **07**  
(b) Describe classical theory of inflation. How is neo-classical theory of inflation different from the classical theory? **07**
- OR**
- Q.3** (a) Define Money. Discuss in detail the functions of money. **07**  
(b) What is meant by economic growth? Discuss all the factors affecting economic growth in detail. **07**
- Q.4** (a) What is meant by monetary policy? Elucidate in detail the quantitative instruments of monetary policy **07**  
(b) What is meant by business cycle? What are the different phases of business cycle? **07**
- OR**
- Q.4** (a) Explain different phases of economic growth, with the help of a figure. **07**  
(b) Explain in detail Classical Quantity Theory of Money. **07**
- Q.5** (a) Describe the effect of inflation on different sections of the economy **07**  
(b) Explain meaning and instruments of Fiscal policy? **07**
- OR**
- Q.5** (a) Discuss in detail the demand-pull inflation and wage-push inflation **07**  
(b) Describe principle of effective demand & Explain equilibrium level of Employment and Output? **07**

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