

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA Integrated– SEMESTER –II-EXAMINATION – WINTER-2023

Subject Code:2527103**Date: 04-01-2024****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)** What are the limitations of macroeconomics? What is the usefulness of macroeconomics in spite of its serious limitations? **07**
- (b)** What is macroeconomics? How is it different from microeconomics state the difference? **07**
- Q.2 (a)** What are the methods of measuring national economy? What problems are confronted in estimating national income ? **07**
- (b)** What is say's law? Explain the law in context of a barter economy and a monetized economy? **07**

OR

- (b)** Discuss Principle of effective demand. Explain equilibrium level of employment and output? **07**
- Q.3 (a)** The household with large accumulated wealth and a given income tend to spend more than those with the same income but no wealth. Do you agree with this statement? Give reason for your answer. **07**
- (b)** Define the two sector model of circular flow. Explain and illustrate graphically the circular flow in two sector model with capital market? **07**

OR

- (a)** What are the various approaches to the definition of money? "Money is a factor of production. Do you agree with the statement? Give your reasons" **07**
- (b)** Explain the classical quantity theory of money. Examine critically the classical quantity theory of money. **07**
- Q.4 (a)** What is meant by time lag? How does it affect the effectiveness of monetary policy? **07**
- (b)** Describe the effect of inflation on different section of economy **07**

OR

- (a)** What is the Samuelson's theory of trade cycle? Explain his model of deriving multiplier and acceleration values? **07**
- (b)** What is meant by economic growth? Does increase in per capita income always indicate economic growth? **07**

Q.5 (a) What is Phillips curve? Discuss the dynamic of unemployment and inflation and the long run Phillips curve. **07**

(b) What is the nature of relationship between inflation and unemployment? does inflation always promote employment? if not why explain ? **07**

OR

(a) What do you think would happen in case of increase in investment in an economy when there is full employment? **07**

(b) Neither under saving nor over saving is good for any economy. Discuss **07**
