

- 15 Macroeconomics is the study of aggregate or total
a) True b) False

Q.2 A) Write short notes on (Each of three mark) (15)

1. Balance of payment
2. foreign exchange
3. Monetary policy
4. kinds of unemployment
5. Macro economics

Q.3 A) Explain circular flow of income in four sector model. (08)

OR

A) What is investment multiplier? Explain working of multiplier with the help of schedule and diagram. (08)

B) Explain Purchasing power parity theory. (07)

OR

B) Discuss the say's law of market with its criticisms. (07)

Q.4 A) Discuss major macroeconomics issues. (07)

B) Answer the following (Each of two mark) (08)

1. What is MPC?
2. What is Inflation?
3. What are the objectives of monetary policy?
4. What is open market operation?