Enrollment No:____

PARUL UNIVERSITY

FACULTY OF LAW B.A. LLB Summer 2017 – 18 Examination

Some	B.A. LLB Summer 2017 – 18 Examination ster: 3 Date: 05/06/2018	
	ter: 5 Date: 05/06/2018 Time: 10.30 am to 1.00 pm	
•	ct Name: Macroeconomics Total Marks: 60	
	ictions:	
	Il questions are compulsory.	
	gures to the right indicate full marks.	
	ake suitable assumptions wherever necessary.	
4. St	art new question on new page.	
0.1	Do as directed.	(15
Q .1	(MCQ, True or False, Definitions, Explain terms) (1 marks each)	(10
1	Consumption theory put forward by Modigliani is called	
	a) relative income hypothesis c) both a and b	
	b) life-cycle hypothesis d) none	
2	fluctuations in the economic activities are termed as phases of business	
	Cycles. (true/false)	
3	The relative income hypothesis suggests that MPC for higher income group is?	
	a) lower c) stable	
	b) Higher d) none	
4 5	Monetary policy refers to the use of instruments under the control of the central bank to	
	regulate the availability, cost and use of money and credit. (true/false)	
	Repo rate is the rate at which the RBI lends shot-term money to the banks against	
	securities.(true/false)	
6	Purchasing power parity was developed by	
	a) marshall c) Gustav Cassel	
	b) Adam smith d) none	
7	Macroeconomic approach is	
	a) Partial c) Aggregative	
0	b) Individualistic d) none	
8	The main postulates of the classical economies is/are	
	a)There is always full employmentb) The economy is always in the state of equilibrium	
	c)Money does not matter	
	d)All of the above	
9	Laissez-faire economics refers to	
,	a) a term denoting economic transactions carried out by the State/government	
	b) economic transactions in private parties where there is no intervention by the	
	State/government	
	c) a branch of socialism focusing on welfare economics	
	d) None of the above	
10	The equilibrium level of national income can be estimated when AD=AS(true/false)	
11	AD = C + I (true/ false)	
12	A large increase in aggregate expenditure will face shortages of some factors which may not	
	be substitutable, this may leads to increase in costs and prices start rising is known as semi-	
	inflation. (true/false)	
13	As inflation is caused by a leftward shift of the aggregate supply is called	
	a) cost push inflation c) both a and b	
	b) demand pull inflation d) none	
14	Balance of payment is in equilibrium when foreign payments is equal to	
	a) income c) foreign receipts	
	b) Tax d) none	

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	(08)
	and diagram.	
	B) Explain Purchasing power parity theory.	(07)
	OR	
	B) Discus 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?