

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA (Integrated) SEMESTER – 2 • EXAMINATION – WINTER - 2018

Subject Code: 2527103

Date: 27/12/2018

Subject Name: Macro Economics (ME)

Time: 2:30 PM to 5:30 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 in detail the circular flow of income and expenditure in an open economy, with the help of a diagram. **07**
- (b)** What is the scope of macroeconomics? How is it different from microeconomics? **07**
- Q.2 (a)** Explain the Keynesian life-cycle theory of consumption in detail **07**
- (b)** Explain in detail Fisher's Quantity Theory of Money (QTM). **07**
- OR**
- (b)** Explain the classical theory of employment in detail, with the help of a figure **07**
- Q.3 (a)** Discuss in detail the functions of money. **07**
- (b)** What is meant by inflation? Explain the types of inflation in detail. **07**
- OR**
- Q.3 (a)** What is meant by economic growth? Discuss all the factors affecting economic growth in detail. **07**
- (b)** Discuss in detail the shortcoming of the barter system. **07**
- Q.4 (a)** Explain different phases of economic growth, with the help of a figure. **07**
- (b)** Explain the neo-classical theory of economic growth. **07**
- OR**
- Q.4 (a)** Explain the Harrod-Domar theory of economic growth **07**
- (b)** Discuss the limitations of monetary policy and fiscal policy. **07**
- Q.5 (a)** What is meant by monetary policy? Elucidate in detail the quantitative instruments of monetary policy **07**
- (b)** Discuss in detail the demand-pull inflation and wage-push inflation **07**
- OR**
- Q.5 (a)** Describe the effect of inflation on different sections of the economy **07**
- (b)** What is meant by fiscal policy? Discuss in detail the instruments of fiscal policy **07**
