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| **Semester: July 2024**  **Maximum Marks: 50 Examination: End Sem Exam Date: Duration:2.5hrs** | | |
| **Programme code:18.**  **Programme: MBA for Working Executive** | **Class:** FY | **Semester/Trimester: II**  **Batch 1 (2023-24)** |
| **College:**  **K. J. Somaiya Institute of Management** | **Name of the department/Section/Center:**  Centre for Executive Education | |
| **Course Code: 117P18C207**   |  |  |  | | --- | --- | --- | |  |  |  | | **Name of the Course:** Macro Economics | |
| **Instructions: Attempt any five of the following questions.** | | |

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| **Question No.**  **1 a.**  **1b**. | Will the following be included in National Income? Give reasons  i) financial help given to flood victims?  ii) interest received by an individual from banks  iii) Profits earned by an Indian bank from its branches abroad.  iv) Gifts received from abroad  V) Furniture purchased by households  What are the difficulties in the measurement of National Income | **Max.**  **Marks**  **5 Marks**  **5 Marks** |
| **2 a**  **2b** | What is consumption function? Explain the objective and subjective factors which determine consumption expenditure in the economy.  It is often asserted that budget deficit crowds out private investment. Do you agree with this statement? | **5 Marks**  **5 Marks** |
| **3a.**  **3b.** | What are the factors leading to an upward shift in the Aggregate demand curve?  How does the aggregate supply curve behave differently in the short run and long run? | **5 Marks**  **5 Marks** |
| **4a.**  **4b.** | Examine the impact of inflation on (a) creditors and debtors (b) persons of fixed  income group.  What are the main factors that cause cost-push inflation in India? | **5 Marks**  **5 Marks** |
| **5.** | Explain the role of fiscal policy in overcoming recession and in achieving economic stability at full-employment level. | **10 Marks** |
| **6a.**  **6b.** | Briefly explain the instruments of monetary policy.  .Explain the role of changes in bank rate and open market operations in controlling trade cycles. | **5 Marks**  **5 Marks** |
| **7.**  **a.**  **b.**  **c.** | Write short notes on **any two** of the following  GDP as an appropriate measure of economic welfare  Liquidity trap and the effectiveness of monetary policy  supply side economics | **10 Marks** |