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| **Semester: April 2025**  **Maximum Marks: 50 Examination: End term ATKT Exam Date: 10/12/2024 Duration:2.5hrs** | | |
| **Programme code: MBA WE** | **Class:** FY | **Semester/Trimester: II**  **Batch 1 (2024-25)** |
| **College:**  **K. J. Somaiya Institute of Management** | **Name of the department/Section/Center:**  Economics | |
| **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*) Scholarships by the government to individuals in a year  (*ii*) Imputed rent of self-occupied houses  (*iii*) lottery winnings  (*iv*) Windfall gains  (*v*) sale of second-hand furniture  What are the difficulties in the measurement of National Income | **Max.**  **Marks**  **5 Marks**  **5 Marks** |
| **2 a**  **2b** | Explain the objective and subjective factors which determine consumption expenditure in the economy.  What is the effect of a deficit budget (*i.e*., increasing government expenditure compared to taxes) on national income, real interest rate and investment? | **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 classical and Keynesian sense? Give reasons. | **5 Marks**  **5 Marks** |
| **4a.**  **4b.** | Examine the impact of inflation on (a) pensioners and fixed income groups (b) Producers and consumers.  Write a short note on Phillips curve and unemployment. | **5 Marks**  **5 Marks** |
| **5.a** | Explain the role of fiscal policy in overcoming inflation and in achieving economic stability at full-employment level. | **10 Marks** |
| **6a.** | What are the tools of monetary policy? Explain its role in overcoming recession in an economy? | **10 Marks** |
| **7.**  **a.**  **b.**  **c.** | Write short notes on **any two** of the following  Factors determining investment demand  Automatic stabilizers and fiscal policy  Supply side economics | **10 Marks** |