PRESIDENCY UNIVERSITY

BENGALURU

<table>
<tr><td colspan="3">End - Term Examinations – MAY 2025</td></tr>
<tr><td>Date: 31-05-2025</td><td></td><td>Time: 01:00 pm – 04:00 pm</td></tr>
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School: SOL	Program: B.A. LLB	
Course Code: BBA1006	Course Name: Macroeconomics	
Semester: II	Max Marks: 100	Weightage: 50%

CO - Levels	CO1	CO2	CO3	CO4
Marks	39	39	44	54

Instructions:

(i) Read all questions carefully and answer accordingly.

(ii) Do not write anything on the question paper other than roll number.

Part A

Answer ALL the Questions. Each question carries 2marks.   **10Q x 2M=20M**

1.	Recall the macroeconomic concept of Stagflation.	2 Marks	L1	CO1
2.	Outline current weekly status method of measuring employment.	2 Marks	L1	CO1
3.	Recognize the concept of aggregate demand in Keynesian theory of income.	2 Marks	L1	CO2
4.	Define the concept of marginal propensity to consume.	2 Marks	L1	CO2
5.	Outline moral suasion and direct action as monetary policy instruments.	2 Marks	L1	CO3
6.	Differentiate repo rate and reverse repo rate.	2 Marks	L1	CO3
7.	Outline the relevance of official settlements account in BoP.	2 Marks	L1	CO4
8.	Recognize the floating foreign exchange rate.	2 Marks	L1	CO4
9.	Outline hyper-inflation.	2 Marks	L1	CO3
10.	Recall Demand pull inflation.	2 Marks	L1	CO4

Part B

Answer the Questions.   **Total Marks 80M**

11.		Discuss the following macroeconomic concepts and issues		L2	CO1
	a.	Basic price, producer's price and market price in national income accounting.	5 Marks	L2	CO1
	b.	General price level.	5 Marks	L2	CO1
		Or			
12.	a.	Discuss in detail about the problem of unemployment in an economy in general.	3 Marks	L2	CO1
	b.	Discuss about different methods of measuring unemployment in an economy.	3 Marks	L2	CO1
	c.	Explain briefly about types of unemployment in an economy.	4 Marks	L2	CO1

13.	a.	Discuss about Keynesian approach to demand for money.	3 Marks	L2	CO2
	b.	Explain Transaction demand for money.	3 Marks	L2	CO2
	c.	Explain Precautionary demand for money.	4 Marks	L2	CO2
		Or			
14.	a.	List out the assumptions of Classical theory of employment.	3 Marks	L2	CO2
	b.	Discuss about factor market equilibrium and goods market equilibrium in classical theory of employment.	3 Marks	L2	CO2
	c.	Discuss about money market equilibrium in classical theory of employment.	4 Marks	L2	CO2

15.	a.	Give a general account of fiscal policy and its objectives.	3 Marks	L2	CO3
	b.	Discuss in detail about expansionary and contractionary fiscal policy.	3 Marks	L2	CO3
	c.	Outline the effect of excess government spending over revenue mobilization by government on aggregate demand.	4 Marks	L2	CO3
		Or			
16.	a.	Explain inflation and its various measures.	3 Marks	L2	CO3
	b.	Discuss the types of inflation based on its tendency and causes.	3 Marks	L2	CO3
	c.	Discuss the effects of inflation on debtors and creditors.	4 Marks	L2	CO3

17.	a.	Discuss about foreign exchange rate and its importance.	5 Marks	L2	CO4
	b.	Discuss about floating exchange rate and role of central bank.	5 Marks	L2	CO4
	c.	Discuss about fixed exchange rate and role of central bank.	5 Marks	L2	CO
		Or			
18.	a.	Discuss the effects of monetary policy measures on Balance of Payments disequilibrium.	5 Marks	L2	CO4
	b.	Discuss the effects of fiscal policy measures on Balance of Payments disequilibrium.	5 Marks	L2	CO4
	c.	Discuss the effects of trade policy measures on Balance of Payments disequilibrium.	5 Marks	L2	CO4

19.	a.	State definitions of national income by Alfred Marshal and A.C Pigou.	5 Marks	L2	CO1
	b.	Discuss about any two important General Price Indexes.	5 Marks	L2	CO1
	c.	Explain Income method and expenditure method of estimating national Income.	5 Marks	L2	CO1
Or					
20.	a.	Explain supply side economics: its emergence and its theoretical basis.	5 Marks	L2	CO3
	b.	Discuss the essential arguments about operation of the economy by the proponents of supply side economics.	5 Marks	L2	CO3
	c.	Explain the nature of policy level interventions proposed in supply side economics.	5 Marks	L2	CO3

21.	a.	Discuss about derivation of IS curve with the help of diagram.	7 Marks	L2	CO2
	b.	Discuss about derivation of LM curve with the help of diagram.	7 Marks	L2	CO2
	c.	Explain ISLM model equilibrium with diagram.	6 Marks	L2	CO2
Or					
22.	a.	Explain cyclical disequilibrium in Balance of Payments and its implications.	7 Marks	L2	CO4
	b.	Explain structural disequilibrium in Balance of Payments and its implications.	7 Marks	L2	CO4
	c.	Explain short term and long-term disequilibrium in Balance of Payments and their implications.	6 Marks	L2	CO4