Roll No										

PRESIDENCY UNIVERSITY

GAIN MORE KNOWLEDGE REACH GREATER HEIGHTS

Presidency University Act, 2013 of the Karnataka Act No. 41 of 2013 | Established under Section 2(f) of UGC Act, 1956
Approved by AICTE, New Delhi | Approved By BCI
Bengaluru

Even Semester End Term Examination, May / June 2026		
Date: 15/05/2026		**Time: 09.30 AM - 12.30 PM**
Course Code: CBS2016	**Course Name: Macroeconomics**	
Semester: Second Semester	**Max. Marks: 100**	**Weightage: 50%**

CO - Levels	CO1	CO2	CO3	CO4
Marks	**36**	**70**	**36**	**38**

Part A: Answer Following Questions. 20 M

Qn.No	Questions	M	CO	BT
1	Define Marginal propensity to consume.	2	CO2	BT1
2	Define GDP.	2	CO1	BT1
3	State the meaning of Marginal Efficiency of Capital (MEC)	2	CO2	BT1
4	Define Liquidity Trap.	2	CO3	BT1
5	Sate the meaning of credit creation.	2	CO3	BT1
6	Define the concept of Green GDP in the context of sustainability.	2	CO1	BT1
7	Show the relationship between MPC and MPS.	2	CO2	BT1
8	Define inflation.	2	CO4	BT1
9	List any two objectives of fiscal policy	2	CO4	BT1
10	State any two features of business cycles.	2	CO4	BT1

Part B: Answer Any 1 Following Questions. 16 M

Qn.No	Questions	M	CO	BT
11.a	Explain the concepts of GDP, GNP, and NNP at market price and factor cost.	6	CO1	BT2
11.b	Explin the difficulties in measuring national income.	10	CO1	BT2
12.a	Explain the methods of measuring national income and the significance of national income measurement.	6	CO1	BT2
12.b	Explain the circular flow of income in a four-sector economy.	10	CO1	BT2

Part C: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
13.a	Demonstrate the principle of Effective Demand with a diagram.	6	CO2	BT2
13.b	summarize the relevance of Keynesian theory in modern economies.	10	CO2	BT3
14.a	Demonstrate the Investment Multiplier with an example.	6	CO2	BT2
14.b	Organize the working of Say's Law of Markets in achieving economic equilibrium.	10	CO2	BT3

Part D: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
15.a	Explain the Psychological Law of Consumption.	6	CO2	BT2
15.b	Briefly explain the determinants of consumption and the determinants of Investment.	10	CO2	BT2
16.a	Explain Determinants of Consumption	6	CO2	BT2
16.b	Explain Consumption Function and Psychological Law	10	CO2	BT2

Part E: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
17.a	Classify the components of money supply.	6	CO3	BT2
17.b	Apply the functions of money in a modern economy with examples.	10	CO3	BT3
18.a	Summarize the objectives of monetary policy.	6	CO3	BT2
18.b	Examine the role of monetary policy instruments in achieving macroeconomic stability.	10	CO3	BT3

Part F: Answer Any 1 Following Questions. 16 M				
Qn.No	**Questions**	**M**	**CO**	**BT**
19.a	Explain the concept of the Phillips Curve in the short run and long run.	6	CO4	BT2
19.b	Analyze the meaning, types, causes, and effects of inflation, and examine its overall impact on an economy.	10	CO4	BT3
20.a	Illustrate the phases of business cycles.	6	CO4	BT2
20.b	Assess the role of fiscal policy in achieving macroeconomic stability using its objectives and instruments.	10	CO4	BT3

PTO (Please Turn Over)