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**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF LAW  
END TERM EXAMINATION - JUN 2023**

**Semester :** Semester II - 2022

**Course Code :** BBA1006

**Course Name :** Sem II - BBA1006 - Macro Economics

**Program :** BAL

**Date :** 19-JUN-2023

**Time :** 1.00PM - 4.00PM

**Max Marks :** 100

**Weightage :** 50%

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**Instructions:**

- (i) Read all questions carefully and answer accordingly.
  - (ii) Scientific and non-programmable calculator are permitted.
  - (iii) Do not write any information on the question paper other than Roll Number.
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**ANSWER ALL THE QUESTIONS**

**(10 X 10 = 100M)**

1. Discuss in details about Keynesian psychological law of consumption and its implications.  
(CO3) [Application]
2. Distinguish between Gross Domestic Product and Human Development Index. Explain the limitations of these measures.  
(CO1) [Application]
3. Discuss about meaning, causes and effects of deflation in an economy.  
(CO4) [Application]
4. What do you mean by unemployment? Discuss the types of unemployment with examples.  
(CO2) [Comprehension]
5. Discuss some of the theoretical measures available for monetary and fiscal authorities to tackle downward fluctuations in overall economic activity.  
(CO4) [Comprehension]
6. As per the United Nations Development Program report, India's HDI rank in 2022 is 132 out of 191 countries. UNDP considers education, health, and standard of living indicators to estimate HDI. As per the Indian case, life expectancy at birth is 80.115, Mean Year of Schooling is 11.619, Expected year of schooling is 13.966, and GNI is 10.262. Based on your understanding of macro aggregates, explain the following questions.
  - a. Explain that do you support HDI over GDP?
  - b. Calculate HDI for India using the above statistics.  
(CO1) [Comprehension]

7. Calculate the HDI (Human Development Index) of India based on the given data.

Average Indian Life Expectancy - 80.2

Mean Years of Schooling - 11.6

Expected Years of Schooling - 14

Income Index - 28633 (10.26)

(CO1) [Comprehension]

8. Discuss the interaction of MPC and Investment multiplier with a hypothetical example.

(CO3) [Comprehension]

9. Discuss in detail about role of MEC and how it interconnects induced investment to interest rate.

(CO3) [Comprehension]

10. Discuss the statement 'impossibility of over production and under employment' in the context of classical theory of employment.

(CO2) [Comprehension]