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PRESIDENCY UNIVERSITY BENGALURU

**SET-B**

SCHOOL OF COMMERCE

**END TERM EXAMINATION – MAY/JUNE 2024**

**Semester :** Semester II -2023

**Course Code :** BSE1019

**Course Name :**  - Macroeconomic Theory

**Program :** B.Sc. Economics

**Date :** June 11, 2024

**Time :** 9:30 AM - 12:30 PM

# Max Marks : 100

**Weightage :** 50%

# Instructions:

1. *Read all questions carefully and answer accordingly.*
2. *Question paper consists of 3 parts.*
3. *Scientific and non-programmable calculator are permitted.*
4. *Do not write any information on the question paper other than Roll Number.*

**PART - A**

**ANSWER ANY 5 QUESTIONS 5Q X 2M = 10M**

1. Expand NFYA and its meaning.

(CO1) [Knowledge]

1. If GST(indirect tax) is Rs. 2500 Crores and Subsidies provided are Rs. 1450 crores. Calculate Net Indirect Taxes.
2. State the Say's law of market.
3. State the meaning of Laissez Faire.
4. Write the meaning of Effective demand.
5. Define corporate tax.
6. If the net income is Rs.1000 crore, and gross income is Rs.2500 crore calculate depreciation.

(CO1) [Knowledge] (CO2) [Knowledge] (CO2) [Knowledge] (CO3) [Knowledge] (CO4) [Knowledge]

(CO5) [Knowledge]

**PART - B**

**ANSWER ANY 5 QUESTIONS 5Q X 10M = 50M**

1. Elaborate on a 4 sector circular flow of income model with a neat diagram.

(CO1) [Comprehension]

1. State the Assumptions of Classical theory and elaborate on the Say's Law of Market

(CO2) [Comprehension]

1. Explain in detail the Aggregate Demand function where consumption function, investment function and government sector are involved.

(CO3) [Comprehension]

1. Explain the term business cycle. Elaborate on the various phases of the business cycle with the help of a suitable diagram.
2. Elucidate on the features of IS and LM curves.
3. Detail on the Inflationary Gap with necessary examples.
4. Elaborate on the cause and effect of inflation

(CO4) [Comprehension] (CO5) [Comprehension] (CO4) [Comprehension] (CO4) [Comprehension]

**PART - C**

**ANSWER ANY 2 QUESTIONS 2Q X 20M = 40M**

1. Criticize on the classical theory of employment

(CO2) [Application]

Elucidate the Keynesian theory of income and employment by using appropriate diagrams.

(CO2) [Application]

1. Using the table, elaborate on the multiplier effect of additional investment in the economy.

(CO3) [Application]