PRESIDENCY UNIVERSITY
BENGALURU

SCHOOL OF LAW

MIDTERM EXAMINATION

Even Semester: 2018-19

Course Code: BAL 202

Course Name: Macroeconomics

Program & Sem: All & II Sem

Date: 25 March 2019

Time: 2 Hours

Max Marks: 60

Weightage: 30%

Instructions:

(i)   Read the question properly and answer accordingly.
(ii)   Question paper consists of 3 parts.
(iii) Scientific and Non-programmable calculators are permitted

Part A

Answer **all** the Questions. **Each** question carries **two** marks.   (8Qx2M=16)

1. What do you mean GDP?
2. Define Per capita income
3. What is Voluntary Unemployment?
4. Define Laissez faire Economy
5. Define Intermediate goods with Examples
6. Define Macroeconomics
7. What is Consumption Function?
8. Define National Income

Part B

Answer **all** the Questions. **Each** question carries **six** marks.   (4Qx6M=24)

9. How do you measure the national Income in India, Explain different methods?
10. Discuss the "Say's Law of Market"
11. Explain the Underemployment-Equilibrium with help of the diagram in the Keynesian Theory
12. a) What are the basic implications of classical theory of employment?

(or)

b) Explain the circular flow of money in two in the economy

Part C

Answer **both** the Questions. **Each** question carries **ten** marks.   (2Qx10M=20)

13. Discuss the impact of recent Budget-2019 on different sectors of the Economy?

14. a) Explain the Keynesian theory of Income and Employment

(or)

b) Calculate the Savings, Average to Propensity Consume (APC), Marginal Propensity to Consume (MPC), Average to Propensity Save (APS), and Marginal Propensity to Save (MPS) with help of table.

Income	Consumption	Saving	APC	MPC	APS	MPS
0	50					
100	125					
200	200					
300	275					
400	350					
500	425					

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END TERM FINAL EXAMINATION

Even Semester: 2018-19   **Date**: 20 May 2019

Course Code: BAL 202   **Time**: 3 Hours

Course Name: Macroeconomics   **Max Marks**: 80

Program & Sem: Law II Semester   **Weightage**: 40%

Instructions:
(i)   *Read the question properly and answer accordingly.*
(ii)   *Question paper consists of 3 parts.*

Part A

Answer **all** the Questions. **Each** question carries **2** marks.   (10Qx2M=20M)

1. In a regressive tax system:
   (a) The amount of tax paid increases with income (b) The average rate of tax decreases with less income (c) The average rate of tax falls as income increases(d) The average rate of tax is constant as income increases

2. MPS + MPC =
   (a) 1 (b) 0 (c) 0.5 (d) 1.5

3. What is not a component of the GDP?
   (a) Consumption goods (b) Investment spending by firms on capital goods
   (c) Public sector's own demand for goods (d) Employment rate

4. An increase in the level of income will cause the demand for money to increase.
   (a)True (b) False

5. As the level of interest rates in the economy falls, the demand for money, ceteris paribus:
   (a) Will fall more or less in line with the change in interest rates (b) Will remain unchanged
   (c) Could move in either direction depending on other factors (d) Increase

6. Budget Deficit is
   (a) total expenditure – total receipts (b) total receipts - total expenditure
   (c) revenue expenditure – revenue receipts (d) revenue receipts- revenue expenditure

7 .Which is not a public Debt Redemption method
   (a) Refunding (b) Co-funding (c) Sinking Fund (d) Budget Surplus

8. GST was launched all over India in the year
   (a) 2016 (b) 2017 (c) 2018 (d) 2019

9. Hyper Inflation is inflation in
   (a) One digit (b) Two digit (c) Three digit (d) Four digit

10. Philips curve shows the relation between
    (a) Unemployment and inflation (b) Exchange rate and unemployment
    (c) Interest rate and inflation (d) Interest rate and unemployment

Part B

Answer **all** the Questions. **Each** question carries **8** marks. (5Qx8M=40M)

11. In India what type of Inflation do we have in the last 5 years?

    How is it different from Venezuela?

12. Do you think RBI (Reserve Bank of India) differ in its function from

    SBI (State Bank of India), Explain

13. How is the M1 concept of money different from M4

14. What are the various measures a modern government will take when

    current revenue falls short of public expenditure?

15. In your opinion does India use effectively various types of taxation

    and achieve various objectives of taxation?

Part C

Answer **all** the Questions. **Each** question carries **10** marks. (2Qx10M=20M)

16. Detail various measures adopted by RBI to manage unemployment

    and inflation in the country

17. GST (Goods and Service Tax) is introduced to the benefit of the country, Deliberate